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SOCIAL DEVELOPMENT QUESTIONS: SOCIAL DEVELOPMENT

World summit for social development

Note by the Secretary-General

1. The Economic and Social Council, by its decision 1991/230 of 30 May 1991, taking into account the report of the Commission for Social Development on its thirty-second session (chap. I, sect. C) and bearing in mind the discussions held in the Second (Social) Committee at its first regular session of 1991, decided to request the Secretary-General to carry out consultations with all States Members of the United Nations on the possibility of convening a world summit for social development and to report to it on the matter at its substantive session of 1992.

2. In July 1991, the Secretary-General requested Mr. Juan Somavia, Permanent Representative of Chile to the United Nations, to carry out these consultations on his behalf, and to report on the results prior to the substantive session of the Council of 1992.

3. Subsequently, at its forty-sixth session, the General Assembly adopted without a vote resolution 46/139 on social development, in which the Assembly, taking into account the debate in the Third Committee on the item entitled "Social development" and the widespread support expressed for the world summit for social development and for the consultations under way, welcomed Council decision 1991/230, as well as the decision of the Secretary-General to appoint a special representative to carry out the consultations on his behalf, and invited the Special Representative to take due note in his report to the Secretary-General of the points of view expressed in the General Assembly and in the Third Committee on the world summit for social development. The Assembly called upon Governments to cooperate fully with the Secretary-General and his Special Representative by participating actively in these consultations, and also requested the concerned organs, organizations and

programmes of the United Nations system to assist the Secretary-General and his Special Representative in the consultations. The Assembly called upon the Council, after considering the report of the Secretary-General requested by Council decision 1991/230, to make an appropriate recommendation to the General Assembly at its forty-seventh session.

4. In the intervening period, the Special Representative of the Secretary-General has had extensive consultations with representatives of Governments in all regions, as well as organizations of the United Nations system and non-governmental organizations. Governments, furthermore have conveyed their views in writing in response to the note verbale of 3 April 1992 of the Secretary-General on the subject of Economic and Social Council decision 1991/230.

5. The report of the Special Representative on the results of his extensive consultations carried out on behalf of the Secretary-General is annexed to the present note. The report includes a synthesis of the views and comments made by Governments in the debate in plenary and the Third Committee of the General Assembly at its forty-sixth session and in the summit meeting of the Security Council of 31 January 1992, together with opinions formally or informally transmitted to the Special Representative.

6. The consultations confirmed that there is widespread support in all regions for the convening of a world summit for social development.

7. As emphasized in the report of the Special Representative, a world summit for social development could provide leadership at the highest level for a shared world-wide commitment to put people at the centre of development and international cooperation. It could also enhance world peace and security by giving political impetus to satisfying social needs as an integral part of efforts for greater national and international stability. Moreover, such a summit could provide an important opportunity to develop a common framework for a more comprehensive approach to United Nations actions in this sphere. In order to be successful, it would need to deal with a well-focused agenda of interest to all States Members of the United Nations, through an effective and well-managed preparatory process that would ensure a politically significant and action-oriented outcome, monitored by efficient follow-up procedures.

Annex

# REPORT OF THE CONSULTATIONS CARRIED OUT BY THE SPECIAL REPRESENTATIVE OF THE SECRETARY-GENERAL ON THE POSSIBILITY OF CONVENING A WORLD SUMMIT FOR SOCIAL DEVELOPMENT

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# I. MANDATE

1. The initiative of convening a world summit for social development was proposed by the Chairman of the Social Committee at the first regular session of the Economic and Social Council in 1991. Following the proposal, the Council adopted without a vote decision 1991/230, by which it requested the Secretary-General to carry out consultations with all Member States on the possibility of convening a world summit for social development, and to submit a report on these consultations to the substantive session of the Council in 1992.

2. In July 1991, the then Secretary-General Javier Pérez de Cuéllar requested Juan Somavia, Permanent Representative of Chile to the United Nations, to carry out these consultations on his behalf, and to report to him prior to the substantive session of the Council in 1992. The mandate of the Special Representative was confirmed by Boutros Boutros-Ghali upon his election as Secretary-General.

3. At its forty-sixth session in 1991, the General Assembly adopted without a vote resolution 46/139 on social development, which welcomed the adoption of Council decision 1991/230, took note of the widespread support expressed for the world summit for social development and the ongoing process of consultations, and called upon the Council at its substantive session for 1992 to make a recommendation on this issue to the forty-seventh session of the General Assembly. It also requested Governments to participate actively in the consultations.

4. The present report is a synthesis of the results of extensive consultations carried out on behalf of the Secretary-General, including views and comments made by Governments in the general debate and in the Third Committee of the forty-sixth session of the General Assembly, together with opinions formally or informally transmitted to the Special Representative. The report reflects the backing given to the world summit for social development by the Ministerial meeting of the Group of 77 in September of 1991, the decision by the Ministerial meeting of the Non-Aligned Countries in May of 1992, which urges international support for the convening of a world summit for social development and the significant backing voiced at the summit meeting of the Security Council on 31 January 1992.

5. The synthesis also encapsulates the significant and widespread support in all regions for the convening of the world summit for social development, to be held in early 1995 as an integral part of the fiftieth anniversary celebrations of the United Nations.

6. It further underscores the view that for the summit to be successful, it must deal with a concise and limited agenda of interest to all Member States of the United Nations, through an effective and well-managed preparatory process that can ensure an appropriate political and action-oriented outcome, monitored by efficient follow-up procedures.

## II. REASONING FOR THE CONVENING OF A WORLD SUMMIT FOR SOCIAL DEVELOPMENT

### A. An analysis of the problem

7. Recent significant developments in the political and security fields, including advances in human rights and democracy, the elimination of super-Power nuclear confrontation, the overall reduction of military expenditures and the emergence of new States have elicited a positive response from the world community. The Security Council has assumed new relevance, and the role of the Secretary-General in promoting collective security generally has been expanded. While these developments have not prevented tensions and actual conflicts from emerging from new situations, their potential to escalate into global confrontation has been significantly reduced by the end of the cold war.

8. Unfortunately, the other side of the coin has not been given the same degree of political importance, that is, what is happening to the standards of living of the world's peoples. Although very significant efforts have been made at the national and international level in the social field, and important success stories have been registered in many countries, the fact is that globally there are today more poor people, more unemployed and greater social insecurity than 10 years ago. This situation affects both developed and developing countries, although the dimensions of the problem are greater and their impact is felt more acutely in the developing world. Social development problems are truly global in scope, as is evidenced by the vast numbers of people suffering in too many places in the world. The greater sense of global political security is therefore to be contrasted in many instances with a sense of growing individual insecurity. The death of 40,000 children a day is a stark reminder.

9. Security is interdependent. There will not be long-term security and stability in developed countries without security and stability in developing countries. This is equally valid between the affluent and poor sectors within a single country. Migration is the clearest manifestation of this: if people do not find security where they are born, they look for it where they think they can find it (from rural to urban areas, from one country to another or from one continent to another).

10. Still, migration continues to be an outlet for coping with individual insecurity. A much more serious problem, however, is the build-up of tensions within countries brought about by unbearable living conditions. These tensions have the potential to erupt in violence and to cause serious dislocations, as has already occurred in developing and developed countries alike.

11. The unchecked growth of poverty and unemployment with the resulting sense of marginalization and frustration are a permanent source of political instability. In addition, there is concern that these conditions are negatively affecting social cohesion, community integration and family

structures, with serious impact on values and human relations. There is a feeling that existing institutions and policies are not coping adequately with contemporary social needs, leading to different forms of dissatisfaction with the present state of affairs. This sense of "disenchantment" expresses itself in certain sectors in social conduct ranging from ethnic and religious strife to drug consumption and a growing disinterest in public affairs and traditional politics. There is a surging preoccupation with open and latent forms of racism under the guise of migration policies in different societies.

12. Individual well-being is perceived not only as a question of satisfying basic needs, but also as the aspiration to enhance the non-material and qualitative aspects of a full and rewarding life as members of a stable community.

13. These issues are not new. In the absence of the cold war, however, they are likely to be among the principal sources of national and international tensions for the present and into the twenty-first century. A world that is naturally relieved that the spectre of super-Power nuclear confrontation has been put to rest, must now take cognizance of a social bomb that also has potentially devastating consequences.

14. This is felt acutely in developing countries and, more recently, in countries in transition to open economies and democratic systems. In looking at what is commonly referred to as the "social cost" of structural adjustment policies, it can be appreciated that there are limits beyond which any economic advantage gained is offset by the political instability generated and the danger it poses to social gains and new-found liberties. The way can therefore be open for relapses into authoritarian rule. This reality gives the idea of "adjustment with a human face", developed by the United Nations Children's Fund (UNICEF), further legitimacy.

15. Today there is a growing consensus on what are the basic components of economic efficiency. It is equally important to identify the essential components of social efficiency in different economic and cultural settings. It is necessary to address in creative ways the interaction between the "social safety net" function of the State, innovative market responses to social demands and the imperatives of sustainable development.

16. Security is gradually being perceived as a comprehensive and integrated concept. The Security Council, in its meeting of 31 January 1992, stated that "peace and prosperity are indivisible and that lasting peace and security require effective international cooperation for the eradication of poverty and the promotion of a better life for all in larger freedom". This points to the fact that there are sources of insecurity which the competent socio-economic bodies of the United Nations system need to address preventively so that they do not become traditional security problems.

17. Taken as a whole the process leading up to the world summit for social development, the political significance of the summit itself, and the follow-up procedures to ensure the implementation of its decisions, can be seen as a major contribution to greater international stability.

18. It is felt that the world is facing today a unique opportunity to deal with these problems with a renewed sense of urgency and a spirit of cooperation in addressing shared concerns and that the summit for social development can become a breakthrough on the road to a more humane world. The issues outlined also highlight the need for the summit to be convened at the level of heads of State and/or government.

19. It is normally the responsibility of the heads of State and/or government to establish priorities between different social needs and to arbitrate among conflicting demands coming from ministries to meet social needs that are usually greater than available resources. As this has extensive political implications at the national level, it is one of the principal decision-making responsibilities of heads of State and/or government.

20. Equally as important, the heads of State and/or government can upgrade the importance given to social development in the international agenda by making a strong political statement. They can act as catalysts for a global commitment to action to improve as a matter of priority the quality of life of people everywhere, thus helping to determine the shape of the post-cold war society.

21. The spirit of prevailing opinions was best summed up by a head of State who quoted Ralph J. Bunche's acceptance speech of the Nobel Peace Prize in 1950: "Peace is no mere matter of men fighting or not fighting. Peace, to have meaning for many who have known only suffering in both peace and war, must be translated into bread or rice, shelter, health, and education, as well as freedom and human dignity - a steadily better life. If peace is to be secure, long-suffering and long-starved, forgotten peoples of the world, the underprivileged and the undernourished, must begin to realize without delay the promise of a new day and a new life". He concluded saying "This is what the Social Summit is about. As leaders we have a collective responsibility to act now".

## B. Objectives of the summit

22. Beyond cultural, religious, historical, ethical and socio-economic differences, all societies share some fundamental human values and have many common outlooks. These can be encapsulated in the belief that the objective of governing and of international cooperation is to improve the conditions of life of individual human beings. The security or insecurity of people is in the end result the ultimate test of the success or failure in these endeavours. People are the principal and ultimate resource of nations. Sustainable development must enhance human well-being in harmony with nature.

23. In this context, the summit should serve to:

(a) Further the obligations of the Charter of the United Nations by reaffirming, within clear political guidelines, greater system-wide effectiveness "to promote social progress and better standards of life in

larger freedom", and to "employ international machinery for the promotion of the economic and social advancement of all peoples";

(b) Give political leadership and express a shared world-wide commitment to put people at the centre of development and of international cooperation as a major component of the emerging new international relations;

(c) Enhance world peace and security through greater social peace by giving political impetus to the satisfaction of social needs as an integral part of the efforts for greater national and international stability;

(d) Unleash latent potential for public and private social development initiatives at the national level. Given that social policies are specific to national traditions, cultural needs and constitute primarily a national responsibility. Countries should be motivated to utilize the opportunity presented by the preparatory process leading to the summit for national consensus-building in this crucial area and to deepen the national commitment to the plight of the underprivileged. In this regard, focus can be given to identifying and promoting the many significant ways in which the private sector, trade unions, non-governmental organizations, churches and religious denominations, the academic community and civil society in general may assist in advancing social development;

(e) Reach agreement on policies, goals and priority actions that could be taken nationally and internationally to address in different development realities, some major issues of shared global concern such as alleviation and reduction of poverty, enhancement of employment opportunities and promotion of greater social cohesion;

(f) Create international awareness of and address the modalities to attain the necessary balance between economic efficiency and social efficiency in a growth-oriented and sustainable development environment of open economic systems. Open economies and equity among individuals and nations should be seen as two sides of the same coin;

(g) Consider ways in which the market can be used to address social needs, based on experience to date, and determine innovative and creative ways in which it may respond to social challenges for the future;

(h) Conceptualize the political, social and economic dimensions of social development in a way that would reflect current realities, including the dramatic changes taking place in the world. The summit provides the opportunity to assemble the best minds and sources of policy analysis with a view to determining the relevance of current development thinking and practice to contemporary social needs; reinforcing those concepts which remain cogent; refocusing those that are ineffective under present circumstances; and promoting new solutions to long-standing problems.

## III. ISSUES TO BE ADDRESSED BY THE SUMMIT

24. Social development is a broad concept. It is not conceivable that all of its dimensions can be addressed in the context of the world summit for social development. It is essential, therefore, to focus the scope of the summit on a limited number of precisely stated, concisely formulated "core issues" that are considered by different countries to be priority areas in which positive action will improve the actual conditions of life for the more disadvantaged sectors of society.

25. Setting a cogent agenda of core issues that is both practical and action-oriented is a critical function of the General Assembly resolution launching the social summit as of the preparatory process itself. Purely theoretical or ideological debate on the concept of social development is not thought to be useful, and is therefore best avoided. The consultations have resulted in the formulation of a wide range of possible issues. None the less, there is a clear understanding that they need to be reduced to a limited and workable number of crucial areas where the summit can make a political and practical difference.

26. Among the principal issues mentioned in the consultations are the following:

27. Gender discrimination and other issues related to the equality and participation of women; adequate availability of food and housing; qualitative and quantitative improvement in health care and educational opportunities; the situation of children and the elderly; crime prevention and criminal justice; appropriate population policies and consumption patterns to alleviate pressures on scarce resources; the situation of handicapped people; production, consumption and traffic in narcotic drugs and psychotropic substances; spread of AIDS and implications of the migration processes.

28. The notion of good governance was also raised. As developed to this point, the concept includes the recognition of the limits of government action; sound economic management (including appropriate levels of military spending, and responsible fiscal and monetary policies); and positive social policies.

29. The need to address social issues in the context of the overall development process and the different linkages to economic policies was also highlighted.

30. Selecting from these the core issues points to the natural advantages of the United Nations in the social field. On all issues mentioned, the Organization is well advanced in the identification of targets, goals and objectives approved by the international community. It is worth recalling, as examples, the Plan of Action for the World Summit for Children of UNICEF; the plan for Health for All by the Year 2000 of the World Health Organization (WHO); the plan for Education for All by the Year 2000 of the United Nations Educational, Scientific and Cultural Organization (UNESCO); the

population objectives of the United Nations Population Fund (UNFPA) and the successive world conferences on women and development.

31. Three major problem areas were repeatedly mentioned as synthesizing the main issues involved, requiring urgent action and being relevant to developing and developed countries alike: alleviation and reduction of poverty with particular emphasis on the feminization of poverty and the situation of children and elderly; generation of productive employment, including investment in human resources and strengthening social cohesion.

32. Some criteria for setting the agenda were commonly shared:

(a) Subjects should be of national political importance in the social field. They should be easily understood as significant;

(b) Issues chosen should be of interest to both developed and developing countries;

(c) A practical approach identifying bottlenecks and main difficulties in social policy formulation and implementation should be fostered and the questions addressed: Where are the main obstacles and what experience do we have in solving them?

(d) Special attention should be given to issues of interest to least developed countries in general and to the most disadvantaged and vulnerable sectors in all societies, highlighting the need to improve the external environment for social development;

(e) Enhancement of the importance and effectiveness of the United Nations system in social development should appear prominently.

## IV. POSSIBLE OUTCOME OF THE SUMMIT

33. The consultations highlighted that the summit should not be seen only as an "event" or a "conference" but as a process which gets under way the moment that the General Assembly convenes it and lasts beyond its actual celebration through follow-up procedures. Consequently, the "Objectives" mentioned in paragraph 21 of the present report could be achieved in different stages of the process.

34. For example, the mere decision to convene the summit for social development would open the way for greater relevance being given to social issues in national administrations and international decision-making. Also, it would stimulate the United Nations system as a whole to strengthen cooperation around agenda items; non-governmental organizations would be activated; multilateral lending institutions would seek ways to cooperate with the United Nations and a score of actions would take place in and out of government. Not least among them would be the increase of global consciousness of the significance of the issues addresssed by it.

35. At this stage it is not possible to identify in a precise way the exact form in which the summit should express its conclusions. This will be determined by the preparatory process, with the participation of the membership of the United Nations.

36. Nevertheless, identifying some possible outcomes has been a primary objective of the consultations. Some general directions have been discerned and some possible outcomes suggested that should facilitate the preparatory process and make it both practical and action-oriented. These include:

## A. Political statement

37. A political statement would include some of the following elements:

(a) A call for greater national and international focus on social development policies in all societies, underscoring the need to balance economic efficiency and social efficiency through growth-oriented sustainable development policies based on social equity;

(b) Enhancement of the role of social development as an integral part of the overall development process, by emphasizing the interrelationship between political and social stability at the national level and peace and security at the international level, within a comprehensive and integral concept of security;

(c) Considering investment in people not simply as a non-refundable budgetary expenditure but essentially as an economic investment indispensable to ensuring future growth and development and the modernization of economic structures, highlighting the human dimension of economic development;

(d) Making the delivery of social services more efficient by focusing them on the more disadvantaged sectors of society;

(e) Stimulation of international cooperation at the bilateral and multilateral level, through governmental, private and non-governmental initiatives.

## B. Plan of action

38. A plan of action should identify priority areas for action, together with specific measures for achieving objectives in these areas. The underlying aim should be to meet the global requirement of ensuring the satisfaction of basic needs and the improvement of the quality of life of people in all countries and societies through key selective actions centred on the alleviation and reduction of poverty, the promotion of policies that enhance employment opportunities, improve human resources and foster social cohesion.

39. This plan of action would be geared towards the development of a United Nations integrated programme for social development which, while respecting the decision-making autonomy of each organ, agency and programme, could give common guidelines that would promote greater integration of projects and programmes at the operational level.

40. There is consensus that a main objective of the summit is to reinforce the United Nations system, and make it more effective and not to create new institutions.

41. In this context, a limited number of initiatives to be launched during the summit may be identified in each field that could benefit from close cooperation. The idea of preparing a list of social targets to be achieved in a given time-frame should be considered. It could include both national and international aspects of social development. This, together with the follow-up mechanism that it entails, would represent an element of continuity for the summit's achievements.

42. Inputs for the plan of action could come, as appropriate, from four major sources:

(a) Sectoral goals and objectives already approved by Governments in the various specialized agencies and United Nations programmes (following stock-taking, identifying bottlenecks and implementation problems);

(b) Relevant conclusions of international conferences whose preparations are already under way, e.g. the United Nations Conference on Environment and Development (1992); the World Conference on Human Rights (1993); the International Conference on Population and Development (1994); and the fourth international conference on women (1995);

(c) Regional programmes of action for social development;

(d) The proposals of the preparatory process of the summit.

43. The plan of action could also include a comparative analysis of social policies and welfare models in different development, cultural and political contexts, to identify successful initiatives that may be adapted for use in other countries. This could lead to a major international effort to promote technical cooperation in the formulation of national policies for social development with particular emphasis on the exchange of experiences among developing countries, making the summit a "global market-place for social initiatives".

### C. The possible formulation of a national commitment for social development

44. Each country would prepare its formulation in which relevant governmental, political, private and social sectors of society would participate. This could be announced at the summit as an expression of the

political commitment of nations as a whole to give the highest priority to social development issues. Public and private voluntary initiatives and commitments at the national, regional and international levels could also be announced in the context of the summit.

## D. Mobilizing greater resources for social development

45. Beyond the identification of the main social problems affecting humankind and the political leadership the summit can give in order to reach major goals and objectives in this field, lies the question of the necessary resources to make this possible. Consultations have given the following directions on this matter.

### 1. At the national level

46. The summit, with its objective of highlighting the political importance of social development, is seen as a major boost to ministries in charge of social issues in their efforts to increase their participation in the national budget while respecting the need for macroeconomic equilibrium.

47. The idea of utilizing the summit as a basis for consensus-building and national commitment for social development can generate new internal resources including private voluntary contributions, and agreements on measures to stimulate better income distribution, without affecting the capacity for sustainable growth in each national economy.

48. Maximizing the efficiency of social programmes in terms of better targeting of initiatives towards the underprivileged and of enhancing their delivery capacity, can result in greater impact within existing means.

### 2. At the bilateral level

49. Both donor and recipient countries can decide in their own bilateral dealings to increase the relative importance of the social sector or to augment the overall cooperation flows earmarked for these activities resulting from the political importance given to this sector by the summit.

### 3. At the multilateral level

50. The decision to convene the summit and initiate the preparatory process can have an indirect effect on the lending policies of multilateral financial institutions. There is already an evolution towards more awareness of the human implications of structural adjustment measures which could be reinforced by the summit, particularly in relation to the situation of least developed countries.

51. The significance of reinforcing United Nations institutions in the social field by innovative approaches will have to be considered; for example, the possibility of increasing private contributions for United Nations initiatives; the promotion of social development campaigns in developed countries for poverty alleviation in developing countries; the identification of social projects as part of the already existing system of "sister cities" cooperation between developed and developing countries to be implemented through United Nations mechanisms; the incorporation of social objectives in investment projects. These and other similar possibilities may be considered in this context.

52. The deepening understanding of the peace and security implications of social development resulting from the preparatory process of the summit can lead many developed countries to conclude that investing in the security of the developing countries, through assistance for effective development programmes, can be a highly productive investment with regard to the long-term security of the developed countries. It can be a unique opportunity to address the question of international resource flows from a new and forward-looking political perspective.

53. Recognizing the importance and the need to address this issue, the view was expressed that it was necessary to do so in such a way that it did not become the centre of the discussion, giving the summit an exclusive North-South dimension, thus losing the benefits for all to address social development from a global perspective.

## V. BASIC DOCUMENTATION

54. A vast amount of documentation exists at the international and regional levels, which can be utilized in the preparation of the summit. Those documents which may be considered in this context can include: General Assembly resolutions 2542 (XXIV) containing the Declaration on Social Progress and Development and 42/125 endorsing the Guiding Principles for Developmental Social Welfare Policies and Programmes in the Near Future; the World Declaration on the Survival, Protection and Development of Children and the Plan of Action for its Implementation adopted by the World Summit for Children; the International Development Strategy for the Fourth United Nations Development Decade; the Cartagena Declaration of UNCTAD VIII; the Report on the World Social Situation; the Human Development Report of the United Nations Development Programme (UNDP); the World Bank's World Development Report, 1990; which is dedicated to the issue of poverty; the International Covenant on Economic, Social and Cultural Rights; and the Manila Declaration on a Social Development Strategy for the ESCAP Region towards the Year 2000 and Beyond.

## VI. THE ROLE OF THE UNITED NATIONS

55. It is a fact that people are looking to the United Nations for leadership in the post-cold war era. The reality is that in vital areas, including peacemaking and peace-keeping among and within States, the Organization is already providing such leadership. The demand for the same leadership in the field of social development is becoming increasingly evident. The Organization is challenged to address a central question: how can the United Nations system become more useful in improving the conditions of life of the underprivileged sectors in all societies?

56. The comparative advantages of the United Nations, from both the technical and political standpoints, makes it the logical forum for taking a comprehensive approach to social development issues, and for giving social development the renewed impetus and the political importance it merits. United Nations membership is virtually universal. It has built up, in a manner similar to the domestic organizational structure of States, a complex network of institutions, programmes and mechanisms, which extend across the spectrum of social problems and issues. Among the issues specifically covered are: food, the Food and Agriculture Organization of the United Nations (FAO); health (WHO); education (UNESCO); housing, The United Nations Centre for Human Settlements (Habitat); employment, The International Labour Organisation (ILO); drug abuse control, the United Nations Drug Control Programme (UNDCP); women, The United Nations Development Fund for Women (UNIFEM) and the United Nations International Research and Training Institute for the Advancement of Women ((INSTRAW), together with the Division for the Advancement of Women of the Centre for Social Development and Humanitarian Affairs); children (UNICEF); and UNDP, which integrates dimensions of these various areas into development projects. The Centre for Social Development and Humanitarian Affairs in Vienna acts as the focal point within the Secretariat on social issues. The Department for Economic and Social Development addresses social questions as part of its policy analysis and technical cooperation tasks. The United Nations Conference on Trade and Development (UNCTAD) has recently been given a mandate to deal with poverty issues. As a whole, then, the United Nations system has unique field experience unmatched by any other private or public international organization.

57. The United Nations Charter, however, gives the Organization, through the General Assembly and the Economic and Social Council a mandate to address economic and social issues as a whole, and to promote development as a major objective of the Organization. This underscores the fact that social and economic development cannot be neatly separated into different analytical categories, since development is an integral process, encompassing both dimensions in an integrated manner. The United Nations has launched four successive development decades since the 1960s as an expression of its responsibility in the field of overall development. The focus that should be given to social development issues in the context of the summit, therefore, should be in the interest of creating a balance between the economic and social dimensions of development.

58. Social development issues have natural linkages with economic issues and cannot be discussed effectively unless they are considered. There are economic questions that naturally flow from the subjects the summit will address, and will be a part of the analysis. However, it is considered that the summit should not become an instance for global negotiations on all social and economic aspects of development.

59. From this perspective close collaboration among the organs of the United Nations system will be necessary, including, with the International Monetary Fund, the World Bank, the regional banks and the General Agreement on Tariffs and Trade (GATT), which have specific responsibilities for negotiating monetary, financial and trade issues. These organs could work in greater harmony on a development agenda geared to meet the needs and concerns of all countries, with general directions agreed at the political level through the United Nations.

60. This approach would also reinforce the distinct advantages of both the United Nations and the multilateral financial and trade institutions in their own fields of action.

61. The active participation of all specialized agencies and programmes of the United Nations will be crucial to the preparatory process of the summit, to the summit itself and to the follow-up procedures.

62. A unique opportunity is provided, in this regard, to enhance the importance of the United Nations system with general policy directions on social issues being decided by the General Assembly and the Economic and Social Council, overall coordination being carried out by the Secretary-General, and the collective efforts of the specialized agencies and other organs and programmes of the system, yielding more comprehensive, integrated results on the basis of greater interaction between their autonomous decision-making bodies.

## VII. PREPARATORY PROCESS

63. The consultations resulted in a generally held view that the effectiveness of the preparatory process leading up to the world summit for social development was fundamental to ensuring a successful outcome. In this regard, the following criteria were indicated as crucial to attain the aforementioned objective:

(a) The preparatory process should be efficient in terms of the utilization of time, human and financial resources. Also, a competent and experienced management structure appears as indispensable. The need for a negotiating environment conducive to executive procedures and consensus decisions on substantive issues was highlighted;

(b) The preparatory process should establish, as soon as possible, a direct link with the heads of State and/or Government in order to reflect the essentially political character of the process and the high level nature of the undertaking;

(c) The United Nations system as a whole should be utilized, as appropriate, for the technical underpinning of the issues to be discussed.

64. It was considered that the substantive session of the Economic and Social Council for 1992 should comply with the request of the General Assembly in its resolution 46/139 to formulate a recommendation for the forty-seventh session of the General Assembly on the possibility of convening a world summit for social development.

65. As expressed in paragraph 5 above, the consultations indicate that there is significant and widespread support in all regions for the convening of a world summit for social development at the level of heads of State or Government, to be held in early 1995, on the occasion of the fiftieth anniversary of the United Nations. A view was put forward that the format of the summit was not appropriate to the objectives pursued.

66. It was also considered that it be incumbent upon the General Assembly, first to pronounce itself on the recommendation of the Council and, should it decide to convene the summit, to adopt the necessary decisions regarding the organization of it. This should include: the modalities of the summit, in particular a concise agenda and an efficient preparatory process, together with the relevant financial implications. Also, it should establish a preparatory committee composed of representatives of the heads of State and/or Government, to be convened in late 1993, in order to prepare the substantive and procedural stages of the summit. Taking into account the interrelated nature of the issues involved in social development, a small secretariat unit to assist the preparatory process and to service the preparatory committee should be established.

67. Furthermore, it is suggested that the recommendation to be adopted by the Council should include a request addressed to the Commission for Social Development to consider at its thirty-third session in 1993 the world summit for social development. A view was expressed that the whole issue of such a summit meeting should first be considered by the Commission before a decision was taken by the Council and the General Assembly. The Council should also decide that the high-level and coordination segments of the substantive session for 1993 should consider this matter.

68. The successive steps mentioned above would ensure that by the time the preparatory committee is convened, sufficient exchange of opinions would have taken place in order to focus, in practical operational terms, on the content and method of its work.

69. For the summit to achieve its important goals, it will be essential to undertake national-level preparations. Therefore it seems advisable that national committees be established in all countries with the participation of all relevant governmental, political, non-governmental, private and social sectors which would serve as a focal point for preparatory activities of the summit.

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DEVELOPMENT AND
INTERNATIONAL ECONOMIC
COOPERATION

# International cooperation to mitigate the environmental consequences on Kuwait and other countries in the region resulting from the situation between Iraq and Kuwait

## Report of the Secretary-General

## INTRODUCTION

1. Pursuant to decision SS II/8 adopted at the second special session of the Governing Council of the United Nations Environment Programme (UNEP), held at Nairobi from 1 to 3 August 1990, on the situation in the Middle East, UNEP took an initiative to intensify cooperation within the United Nations system for optimum use of the diverse capabilities of the system to respond rapidly to the environmental crisis resulting from the hostilities in the area. To this end, the United Nations Inter-agency Plan of Action was developed in cooperation with the Regional Organization for the Protection of the Marine Environment (ROPME) 1/ and a number of United Nations specialized agencies and was adopted at the Second United Nations Inter-agency Consultation held at Geneva on 15 March 1991. This was followed by the adoption of a decision by the Governing Council of the United Nations Development Programme (UNDP) in

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* A/47/50.

** E/1992/100.

June 1991 (decision 91/21), and a resolution of the General Assembly at its forty-sixth session on 20 December 1991 (resolution 46/216). Furthermore, decision SS III/3.II on the state of the environment resulting from the situation between Iraq and Kuwait was adopted at the third special session of the UNEP Governing Council held from 3 to 5 February 1992.

2. The present report summarizes the results of the United Nations inter-agency effort in responding to this environmental crisis. It provides up-to-date information on the environmental situation in the region and briefly describes the United Nations initiatives regarding the mitigation of the adverse effects of the conflict, and the rehabilitation of the environment in the region. It is intended for submission to the General Assembly at its forty-seventh session through the Economic and Social Council in fulfilment of the requirements of resolution 46/216.

## I. UNITED NATIONS INTER-AGENCY PLAN OF ACTION

3. The United Nations family of agencies, led by UNEP and in cooperation with ROPME, developed the United Nations Inter-agency Plan of Action soon after the liberation of Kuwait. The main objectives of the Plan were:

(a) To assess the environmental consequences of the war on the marine and coastal areas, atmosphere, terrestrial ecosystems and the hazardous waste situation in the region;

(b) To propose a programme for the mitigation of the adverse effects, rehabilitation and protection of the environment affected by the conflict.

4. The specific objectives of the first phase of the Plan of Action were:

(a) To conduct a multidisciplinary initial survey and preliminary assessment of the marine and coastal environment, the atmospheric environment, the inland terrestrial environment and hazardous waste management in the war-impacted areas;

(b) To identify priority areas at risk and resources threatened in these areas;

(c) To formulate a proposal for the mitigation of the adverse effects, rehabilitaion and protection of the environment in the area, to be submitted to the Governments of the region through ROPME for the necessary follow-up;

(d) To develop, establish and operate a computerized data system for storage, retrieval and processing of all data and information gathered through the Plan of Action;

(e) To provide relevant training to ROPME experts on the system's operations and data management.

5. Coinciding with both the Second United Nations Inter-agency Consultation and the Informal Ministerial Consultation held at Nairobi from 11 to 13 March 1991, UNEP's Executive Director established a Special Trust Fund devoted exclusively to the financing of the United Nations Inter-agency Plan of Action (except for the activities of the International Maritime Organization (IMO), which were to be funded by a special IMO Persian Gulf Oil Pollution Disaster Fund). A total of US$ 2.61 million was donated to the Trust Fund by the Governments of Japan, Norway and the Netherlands, also for the Commission of European Communities, as follows: Japan (general purpose): US$ 1.11 million, received on 26 March 1991; Norway (atmospheric components): US$ 1 million, received on 1 June 1991; the Netherlands (computerized data system): US$ 0.5 million received in September 1991.

6. The first phase of the United Nations Inter-agency Plan of Action was completed in 90 days, i.e., on 20 July 1991. It involved initial surveys and a preliminary assessment of the environmental damage in the region in the aftermath of the conflict. The activities under the Plan of Action were coordinated by UNEP and ROPME and implemented by some 50 experts from 12 United Nations agencies and international organizations, including UNEP, IMO, the World Health Organization (WHO), the World Meteorological Organization (WMO), the Intergovernmental Oceanographic Commission (IOC) of the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Industrial Development Organization (UNIDO), the United Nations Centre for Human Settlements (UNCHS), the International Atomic Energy Agency (IAEA), the Food and Agriculture Organization of the United Nations (FAO), the World Conservation Union (IUCN), the World Wildlife Fund (WWF) and ROPME as well as about 20 institutions from within and outside the region.

7. Each of the cooperating agencies was responsible for the implementation of the component(s) of the Plan of Action relevant to its specific mandate (see table 1). However, all agencies worked in concert in order to ensure the maximum coherence of results and recommendations.

Table 1

Activities of the United Nations Inter-agency Plan of Action and the responsible organizations/agencies

| Areas/activities | Responsibility |
|---|---|
| Coastal and marine environment: | |
| Oil pollution response and clean-up operations | IMO |
| Oil pollution assessment and monitoring water quality | IOC/IAEA |
| Oceanographic observations and data support | ROPME/IOC |
| Coastal/marine ecological assessment | IUCN/WWF/IOC |
| Living marine resources | IUCN/FAO/IOC |
| Coastal infrastructure | UNCHS |
| Remote sensing/data-base support | ROPME/UNEP |
| Atmosphere: | |
| Air quality/effects on human health | WMO/WHO/IAEA |
| Air/sea exchange | IOC |
| Meteorology and long-range air pollution | WMO |
| Terrestrial: | |
| Food, soil, agriculture | FAO/IOC |
| Terrestrial ecosystem/desertification | UNEP Regional Office for West Asia |
| Food safety, drinking water | WHO |
| Shelter/welfare | UNCHS/WHO |
| Hazardous waste management: | |
| Assessment of damage to industrial sector and risk of release of hazardous wastes | UNIDO/WHO/UNCHS |
| Industrial safety | UNEP Industry and Environment Office/UNIDO |

## II. STATE OF THE ENVIRONMENT

8. The results of the Plan of Action were published by UNEP in a report 2/ which was submitted to and endorsed by the fourth extraordinary session of the Council of ROPME held in Kuwait on 16 and 17 October 1991. The following are some of the initial findings of the Plan of Action and of more recent observations after the capping of the last oil-well fire on 6 November 1991.

### A. Marine and coastal environment

9. As a result of the massive oil spill in the Persian Gulf waters, the total amount of which is estimated at between 6 million and 8 million barrels, the most heavily affected marine area is along the Saudi coastline, particularly from south of Khafgi to Abu Ali Island. A total of about 600 kilometres of coastline, including islands, embayments and salt marshes, were severely damaged, although estimates of the extent of damage to the marine habitats vary.

10. Data available so far indicate that at least 30,000 marine birds perished as a result of exposure (excluding those trapped in oil pools formed in the desert). Approximately 20 per cent of the mangroves on the eastern coast of Saudi Arabia have been oiled and about 50 per cent of the coral reefs have been affected. Hundreds of square kilometres of sea-grass beds (feeding grounds for dugongs and turtles) as well as tidal mud flats have been inundated by oil. The Iranian coast north of Bandar Khomeyni was also affected but to a lesser extent, while the Iraqi coast was only slightly affected. The Kuwaiti coast suffered only relatively light damage, while the three coral-reef islands off the Kuwaiti coast did not show any significant degree of ecological damage. However, the scale of impact of the massive oil spill on the marine ecosystem, particularly the sensitive habitats, as well as on the fisheries (fish and shrimp) resources of the region as a whole would have to be determined by intensive and extensive monitoring and research.

11. Oil pollution in the marine environment was not limited to oil spills. Fallout from the burning oil formed clicks on the surface of the water, releasing polycyclic aromatic hydrocarbons (PAHs) and heavy metal-laden soot particles into the water column. Hundreds of small boats and tens of military ships have been sunk in the area, many loaded with ordnance. The physical destruction of beaches by digging trenches, laying mines, barbed wire and other defence installations has not only damaged the intertidal zone but poses great danger for human life as well as turtles nesting on islands. The destruction of sewage treatment plants in Kuwait resulted in the release of over 50,000 cubic metres/day of raw sewage into Kuwait Bay, threatening the intertidal ecosystem, downgrading the quality of sea water used for desalination and polluting public beaches.

12. The intensive United Nations effort to assess the state of the marine environment culminated in the launching, in late February 1992, of a 100-day

cruise in the ROPME sea area by the fully equipped 231-foot research vessel Mount Mitchell of the National Oceanic and Atmospheric Administration (NOAA) of the United States of America in cooperation with ROPME and IOC. The results of this international expedition are now being analysed and will provide a solid scientific basis for the rehabilitation of the marine and coastal environment.

### B. Atmospheric pollution including long-term effects on human health

13. Air pollution resulting from the burning oil wells in Kuwait represented a potential hazard to human health. Excluding the initial few days in which storage tanks and oil wells were put ablaze, about 6 million barrels of oil were being burnt daily along with about 70 million-100 million cubic metres of gas from over 600 burning oil wells.

14. Measurements taken from aircraft indicated that the combustion process is relatively efficient. Ninety-five per cent of the carbon emitted by the oil well fires is in the form of carbon dioxide. About 1 million to 2 million metric tons of carbon dioxide was being formed by the plume each day. The remaining carbon emissions were in the form of non-methane organic vapours (2.4 per cent), carbon monoxide (1 per cent), organic particles (0.65 per cent), and soot (0.45 per cent). About 2 per cent of the mass of the fuel burned is emitted as sulfur (mainly in the form of sulfur dioxide). The following typical values were reported for various chemical constituents observed at about 100 kilometres downwind: sulfur dioxide ($SO_2$): 100 to 500 parts per billion (ppb); carbon monoxide (CO): 0.1 to 0.5 parts per million (ppm); ozone: 20 to 45 ppb; oxides of nitrogen (NOx): 10 to 30 ppb; carbon dioxide ($CO_2$): 400 to 460 ppm.

15. Measurements taken at the ground level showed that instantaneous values for sulfur dioxide were as nigh as 0.68 ppm near the burning wells. However, limited sampling in populated areas in the path of the oil plumes did not reveal concentrations of concern. As for PAHs, the United States Inter-agency Team concluded that most of the PAHs in the air particulate samples in Kuwait and Saudi Arabia were below detectable levels, i.e., below 2.0-4.6 ppb.

16. The last of the 613 burning wells in Kuwait, which were the main source of concern with regard to air pollution and risk to human health, was put out on 6 November 1991. It is therefore expected that the atmospheric conditions and air quality in Kuwait and the adjacent areas downwind will significantly improve. Consequently, the risk to human health is now considerably reduced and the possible long-term effects are still uncertain.

17. The future human health implications from the pollutants emitted from the oil well fires will require long-term, detailed studies of the pollutants themselves and of the exposed population.

18. At a recent meeting of experts to assess the atmospheric effects of the Kuwait oil fires, organized by WMO in cooperation with UNEP (Geneva, 25-29 May 1992), the results of extensive aerial reconnaissance surveys of the fire plumes, carried out by various teams of investigators, were analysed together with surface meteorological and air pollution measurements in and around the source region, with a view to obtaining a better understanding of the atmospheric effects of the oil well fires. Further insights on the plume behaviour and its long range transport were provided by the modelling efforts. The main findings on atmospheric impacts and their possible consequences could be summarized as follows:

(a) The smoke did not have any attributable effect on the weather or climate outside the Persian Gulf region because of its relatively low altitude and short residence time owing to capture by water vapour. There has also been no demonstrable influence on the Indian monsoon;

(b) The carbon dioxide and nitrous oxide emissions have steadily diminished as the burning wells were brought under control. They are not likely to have a detectable impact on global climate;

(c) The smoke plume widths ranged from 15 to 150 kilometres for distances of up to 1,000 kilometres from the fires. The smoke plume substantially reduced the ground-level sunlight, visibility, and temperature beneath the plume. However, it is still unclear whether these characteristics of the plume were detrimental or beneficial to the region;

(d) The plume was not photochemically active until it had travelled over 600 kilometres. Inside the plume 1,000 kilometres downwind of Kuwait, the ozone concentration exceeded the United States National Ambient Air Quality Standard (NAAQS) of 120 ppb. However, there is no indication of regional oxidant episodes resulting from the fires. Regional ozone concentrations were not abnormally high and the region's population was not affected;

(e) The concentrations of total suspended particulates (TSP) and particulate matter (PM-10) often exceeded the United States NAAQS 24-hour standard in the region. These concentrations were often higher at Daharan than at Kuwait City. However, occurrences of high concentrations of particulate matter are historically common in the region, making it difficult to attribute the high concentrations to the oil well fires. Initially, there was concern that the increased TSP and PM-10 concentrations would severely impact health but levels were not high enough to cause observed acute health effects. Active irritating agents were significantly absent from the particles;

(f) The ground-level concentrations in Kuwait and Saudi Arabia of sulfur dioxide, nitrogen dioxide, nitrogen oxides, carbon monoxide and ozone did not exceed United States NAAQS. Initially, there was concern that pollutant gases from the fires would cause acute health effects. However, generally the population was not exposed to high concentrations, and reports on widespread increased acute health effects were not substantiated;

(g) Both aircraft and ground-level sampling data show that hydrogen sulfide was present only in very low concentrations, below internationally recognized health threat levels;

(h) In-plume and ambient air concentrations of PAHs and metals such as nickel, chromium, vanadium, and lead from the fires are comparable to those in urban-industrial areas in the United States, Western Europe and Japan. The samples are not very mutagenic;

(i) Soot and oil mist covered the soil surface and vegetation in large areas, with the soot-affected area extending into Saudi Arabia. Most of the native vegetation in the soot-affected areas was adversely affected. The annual flora failed to set seed. Only some perennial vegetation with food-reserve in the roots survived the summer of 1991. The long-term impact is unclear, but there are indications that vegetation is being re-established effectively. However, there might be a change in the distribution of species.

### C. Terrestrial ecosystem including hazardous wastes

19. The destruction of terrestrial ecosystems was very extensive, particularly in Kuwait, Iraq and Saudi Arabia.

20. In Kuwait, the impact on soil and vegetation is very serious owing to the formation of huge oil pools resulting from the oil gushing from the damaged and burning oil wells. Some of these lakes extend over vast areas of the desert, in some cases with depths of up to 1 metre or more. Furthermore, a layer of oil droplets and soot covers hundreds of square kilometers (estimates are as high as 30 per cent of the area of Kuwait). In most areas, the coating with oil droplets and soot has totally eliminated the already limited plant cover, reducing further the possibility of bloom in their short growth cycle associated with the scarce rainfall. In some areas, pulverization of the surface soil by off-road military vehicles has destabilized the soil, increasing its vulnerability to wind erosion. In addition, the presence of land mines and unexploded ordnance and munitions still presents a serious hazard to human life and the environment in the country.

21. In Iraq, the military activities devastated large areas of the land and adversely affected the agricultural production and livestock of the country.

22. In Saudi Arabia, the main terrestrial impact was due to the fallout of soot, particularly south of the Saudi/Kuwaiti border.

23. The above findings of the initial surveys conducted under the United Nations Plan of Action were confirmed by a recent study carried out by the Environmental Protection Department of the Ministry of Public Health of Kuwait. The study showed that from the 76 gushing oil wells, over 100 oil pools were formed covering a total area of about 16 square kilometres. The areas between the pools were also soaked by oil. The depth of the oil pools

varied according to the local topography of the areas and was generally between 30 and 50 centimetres with a few as deep as 1 metre. Estimates of the quantity of oil accumulated in these pools range between 25 million and 50 million barrels.

24. The effect of the oil pools on the quality of air was indicated by a much higher level of methane and non-methane hydrocarbons detected by the air quality monitoring system run by the Environmental Protection Department. Of particular concern, especially with respect to the health impacts, was the level of toxic chemicals and PAHs. However, investigations showed that most of PAHs in the air particulate samples in Kuwait and Saudi Arabia were in general below detectable levels.

25. Deep and surface soil samples were collected from within and outside the oil fields by the Environmental Protection Department. The samples were analysed to determine the level of total removable organic matter, petroleum hydrocarbons and chrysence equivalents. As expected, much higher levels were detected in the surface samples collected from the oil fields, with much lower levels in the deep samples.

26. With respect to hazardous wastes, the initial survey indicated that the risk to the environment and human health will remain fairly acute until plans are designed and implemented to assess and clean-up the disposal sites both in Kuwait and Iraq, each according to its particular characteristics.

## D. Socio-economic aspects

27. The Iraq-Kuwait conflict, the associated hostilities and the resulting environmental damage have had serious socio-economic impacts on the countries of the region and beyond. The implications of the war on societies in the affected countries range from loss of job opportunities, particularly in the fisheries, agricultural and industrial sectors to threat to human life by the presence of unexploded ordnance and sea and land mines.

28. In an effort by UNDP, following decision 91/21 adapted at the thirty-eighth session of its Governing Council, a funding strategy meeting was convened to consider a draft proposal for the socio-economic and environmental recovery of countries affected by the Persian Gulf crisis, with a view to establishing a funding strategy. In this connection, UNEP presented to the meeting its Consolidated Rehabilitation Programme containing a proposed programme for the environmental rehabilitation of the region, the implementation of which would assist in the alleviation of the above socio-economic problems.

## III. UNITED NATIONS FOLLOW-UP INITIATIVES

29. While all the above United Nations inter-agency efforts were being undertaken at the technical level, further attention was being paid to the political and financial aspects of the environmental crisis. In this context, and following a request from the Government of Kuwait, the first visit to Kuwait was undertaken by the Personal Representative of the Secretary-General in early October 1991.

30. Since then, a Consolidated Rehabilitation Programme for the environment of the ROPME region, including costed and targeted project proposals covering the three environmental components, the technical cooperation aspects as well as the needs of the countries of the region for oil clean-up, recovery and restoration. The Programme, as well as a priority action programme, was prepared by UNEP in cooperation with ROPME. The Programme was presented by UNEP to a funding strategy meeting organized by UNDP on 16 December 1991. At this meeting, the urgent need for the rehabilitation of the environmental destruction in the region was brought to the attention of some 70 States members of the United Nations, including major potential donors.

31. The issue was later brought up at the third special session of the Governing Council of UNEP, where it was also made clear that dealing with the environmental catastrophe went beyond the capabilities of the countries of the region, and thus required strengthened international cooperation.

32. Furthermore, and in order to keep the issue of this environmental crisis at the forefront of the international political arena, the Secretary-General requested his Special Representative, Mr. Joseph Verner Reed, to visit Kuwait during March 1992 and, later, the other countries of the region to reassess the situation after the capping of the burning oil wells, which was accomplished in record time. The visit to Kuwait was carried out from 29 to 31 March 1992, during which Special Representative Reed held talks at the highest possible level, including the Amir of Kuwait. He reassured His Highness and his Government of the continued support of the United Nations and all its organizations to finding adequate measures to redress the environmental damage in Kuwait and the region.

33. Recognizing that the task of environmental rehabilitation is challenging and that the financial resources needed are very large, the Special Representative, during his visit, discussed various options for rehabilitation strategies and funding possibilities. The outcome of this visit has been brought to the attention of the Secretary-General and the Executive Director of UNEP in order that an acceptable strategy be formulated and carried out as soon as adequate resources become available.

34. In addition to the required mitigation of the adverse effects, the rehabilitation of the environment and the building up of national response capabilities, there is also an obvious need to develop an effective international mechanism to guide and coordinate the response to future

large-scale environmental crises. This should be based on a predetermined procedure to initiate immediate action and criteria to be used to trigger international response. The experience from dealing with the situation between Iraq and Kuwait, with the complexity of its environmental consequences, showed that the United Nations family of agencies can work together effectively if the objectives of the joint action are set up, the distribution of responsibilities is clearly defined and a strategy for coordination, communication and data management is developed and implemented from the outset.

## Notes

1/ Member States: Bahrain, Iran (Islamic Republic of), Iraq, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates.

2/ Report on the United Nations Inter-agency Plan of Action for the ROPME Region - Phase I: Initial Surveys and Preliminary Assessment, UNEP, 12 October 1991.

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# ENHANCING INTERNATIONAL COOPERATION FOR DEVELOPMENT: THE ROLE OF THE UNITED NATIONS SYSTEM

Report of the Secretary-General

SUMMARY

Prospects of peaceful international cooperation have been enhanced by the end of the cold war and the trends towards democracy and market-oriented economies sweeping through all regions.

Yet major global problems persist. The world economy has slowed down and is not realizing its full potential. Development remains stalled in many countries. Poverty has increased and the environment is under threat. The potential for new conflicts giving rise to mass migrations is all too evident.

Revival of world economic growth and sustainable and human centred development in developing countries should remain the principal objectives of international cooperation for development in the 1990s. Special efforts will be required to enable Africa and the least developed countries to participate fully in global economic growth. Transition economies will need to be further integrated into the world economy.

This calls for a global partnership in which all countries undertake to pursue sound and effective national policies, the international community commits itself to support these policies and the major countries ensure a favourable and supportive international environment in which such policies can succeed.

* See E/1992/100.

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To this end, the development dialogue in the forums of the United Nations system in the key areas of trade, finance, technology and sustainable development needs to be strengthened, with a view to developing a common understanding and greater consensus on national policies, global requirements and rules of the game. In this regard, the outcome of the Uruguay Round of multilateral trade negotiations and the effective follow-up of the United Nations Conference on Environment and Development will be critical to success.

The political role of the General Assembly in the development dialogue and the overview functions of the Economic and Social Council will need to be made more effective by closer interaction between these central bodies and between them and the regional commissions, the trade and financial institutions and other parts of the system.

A central issue in this context is the relationship between the United Nations, its programmes and the sectoral agencies on the one hand and the Bretton Woods institutions on the other. The latter were created with clear mandates which have evolved over the years to adjust to dramatic changes in international economic and social conditions. There has been fruitful cooperation among the various bodies of the United Nations system but the scarcity of resources and the new demands imposed by the need to facilitate the transition to democratic forms of government and market-oriented and environmentally sustainable development throughout the world have made stronger collaboration and cooperation an imperative.

An important task of the United Nations system will be to ensure consistency among economic policies worldwide. Trade policies should promote development through expanding access to markets. Fiscal and monetary policies should ensure greater financial stability. To this end, a strengthened surveillance by the International Monetary Fund of both deficit and surplus countries is necessary.

Multilateral assistance must continue to be provided by the United Nations system to support economic reforms and structural adjustment programmes, as well as longer-term development objectives of developing countries. Africa and the least developed countries will need special and additional support. The transition under way in Eastern Europe and the former Soviet Union will also require additional resources. The financing of the United Nations system should be commensurate with these tasks. Urgent action is required on the ninth revision of International Monetary Fund quotas and the tenth replenishment of the International Development Association.

Many questions are being raised about the functioning of the United Nations system. At the same time, the system is being asked to perform many new tasks - for example, in the environmental and humanitarian fields. There is a strong call from Member States for a closer overview and a sense of united thrust. Multilateral assistance and technical cooperation activities of the system need to be refocused on the basis of more clearly defined goals and priorities. Greater impact can be achieved if the funding and financial institutions, specialized agencies and Governments work together to assist

developing countries in the formation and implementation of common development strategies incorporating the anti-poverty, population, human development and environmental goals.

The issues of governance, financing of operational activities and coordination have recently attracted increased attention. The arrangements for governance need to be examined to ensure a strong intergovernmental capacity for setting clear directions and policy guidance; financing of the operational activities should be put on a more adequate, assured and stable basis; and field level coordination should be improved through better harmonization of programmes around common strategies and approaches.

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* The foreword of the Secretary-General will be issued under the symbol E/1992/82/Add.1

## INTRODUCTION

1. The Economic and Social Council, by its decision 1992/203 of 7 February 1992, decided that the high-level segment of its substantive session of 1992 should be devoted to the consideration of the major theme: "Enhancing international cooperation for development: the role of the United Nations system".

2. The Council invited the Secretary-General, in accordance with General Assembly resolution 45/264, to provide as a contribution to the high-level segment his views and recommendations on the selected theme. Accordingly, a foreword by the Secretary-General to the present report is being issued in document E/1992/82/Add.1 and the Secretary-General will address the high-level segment on 6 July 1992.

3. The present report reviews briefly the dramatic changes in the international environment that have set a new context for development cooperation and attempts to identify the key development objectives for the 1990s. The principal focus of the report is, however, on the role of the United Nations system in facilitating the attainment of these objectives. Two closely connected questions are discussed: what can be done by the international community through the United Nations system to advance international cooperation for development, and how can the functioning of the system itself be improved to serve as an effective instrument to that end. While the paper raises many questions, it does not attempt to provide all the answers; the purpose is no more than to stimulate a productive debate in the Council.

## I. A NEW CONTEXT FOR WORLD DEVELOPMENT

4. Although few had foreseen the major shift that has taken place in world affairs, it is now recognized by everyone that the international scene has been fundamentally transformed. Equally evident is the change in the context for international development cooperation. What is less apparent is the full impact of these changes on our common future. Nor have the policy responses, at the national and international levels, to this wholly new situation fully evolved and crystallized.

5. In the political sphere, the end of the cold war and the disappearance of the great East-West divide have brought about a vast improvement in the international climate. For the first time in the post-war period, it seems possible to apply effectively the system of collective security envisaged in the Charter of the United Nations to preserve world peace and stability.

6. The reduction of tensions and the elimination of ideological competition has also opened the way for the major Powers to achieve large-scale disarmament and reduce their defence expenditures substantially. Although the complexity and high cost of conversion may limit the dividend in the short

run, a significant reduction in defence expenditures should release resources in the medium to long term for the tasks of development at home and internationally.

7. Greater cooperation among the major Powers has also facilitated the resolution of several regional conflicts and the winding down of others. While one should not ignore the already manifest potential for new and violent conflicts, the prospects for peaceful development have improved in many countries, such as those in southern Africa, South-East Asia and Central America, that have been ravaged by incessant fighting for many years.

8. These trends have served to underscore the importance and effectiveness of peace-building and peace-keeping operations of the United Nations in many parts of the world. At the same time, the demand for and complexity of such operations has grown dramatically, stretching the capacity of the Organization to respond.

9. More and more of these situations call for a whole range of actions beyond the classical approach to peacemaking and peace-keeping, encompassing not only the political and humanitarian fields but assistance for rehabilitation, institution-building and socio-economic development as well.

10. The developments in Eastern and Central Europe and the emergence of several new States following the dissolution of the former Soviet Union have provided a new impetus to the trend towards universal membership not only in the United Nations, but also in its specialized agencies, especially in the Bretton Woods institutions and the General Agreement on Tariffs and Trade (GATT). Russia has gained observer status in GATT. Most of the States emerging from the former Soviet Union have now become full members of the International Monetary Fund (IMF) and the World Bank. Also relevant to the trend towards universalization is the decision of China to seek the resumption of its membership in GATT.

11. Another trend is the spread of participatory democracy and pluralistic systems of governance across all regions. While the most dramatic manifestation of this phenomenon may have been in Eastern and Central Europe and the former Soviet Union, quiet but consistent moves in the direction of democracy were already apparent in many parts of the developing world in the latter half of the past decade. By now, democratic governance has become the norm in Latin America and in large parts of Asia and Africa. Progress, however, remains fragile and could easily be reversed as recent developments in some countries clearly demonstrate. People not only seek a greater say in the political processes that govern their lives but also have legitimate expectations of deriving tangible benefits from more democratic and open societies. There are too many examples in history where totalitarianism has capitalized on poverty. Democracy must be sustained by broad-based development if it is to survive over the long term.

12. These profound changes in the political sphere are mirrored by important shifts in the economic field. There is a growing convergence of views on

economic management. Although national approaches to economic management continue to reflect significant variations rooted in culture and history, in general, market-oriented strategies of development with emphasis on individual initiative and entrepreneurship and export-led growth are gaining near-universal acceptance. The role of foreign investment and transnational corporations is being viewed in a new and more positive light.

13. Human development and the eradication of poverty are seen as critical to the economic transformation of the society. Environmental sustainability is another key dimension of this development paradigm. In the industrial world, where environmental degradation has been caused by heavy use of fossil fuels, industrial pollution and indiscriminate consumption, protection of the environment from further deterioration and the costs associated with it have become major political issues. In the developing countries, where the depletion of resources is most serious, it is not possible to preserve the environment by denying the use of natural resources on which the survival of those countries depends. Therefore, action against poverty helps protect the environment, and the protection of the environment is an essential part of development.

14. As a result of this emerging consensus, polarized and doctrinaire debates of the past are giving way to a more pragmatic search for solutions to global issues, improving considerably the prospects for enhancing international cooperation for development. The Rio Declaration on Environment and Development and the programme of action embodied in Agenda 21, approved at the recently concluded United Nations Conference on Environment and Development, mark a significant advance in this regard.

15. Another trend is the globalization of finance and production in many sectors. This is eroding the ability of Governments to effectively manage the pace and direction of economic change within their own borders. Concomitantly, the role of transnational corporations and financial and capital markets continues to expand in the world economy. More open capital markets can complicate macroeconomic management and can lead to the misuse of the vast economic power acquired by individual actors, resulting in market distortions or even the danger of destabilization. However, globalization and integration if effectively pursued, should increase productivity through a more rational allocation of resources.

16. In contrast with these encouraging trends, the income and technology gap between the North and the South has continued to widen. Within the developing regions, great diversity of growth has emerged. In general, while much of Asia has surged ahead, Africa and Latin America have stagnated and lagged behind. Poverty in large parts of the developing world has increased and social progress has been set back. More recently, some Latin American countries appear to be emerging from the debilitating burden of external debt to begin to grow again; but Africa and the least developed countries, many of which are in sub-Saharan Africa, remain mired in the vicious circle of economic stagnation, high population growth and declining incomes per head, and run the risk of being progressively marginalized rather than integrated into the world economy.

17. These trends have far-reaching implications not only for the stability and cohesion of the affected developing countries; their consequences also radiate in many ways through the rest of the world. This is at a time when, in the developed countries, traditional forms and means of development cooperation are coming under question as Governments have become increasingly preoccupied with domestic social concerns at a time of fiscal constraint. One measure of these effects is the escalating frequency, scale and complexity of emergency situations that call for an international response. A record number of 17 million refugees and 20 million displaced persons are, for example, the daily concern of many organizations of the United Nations system and other humanitarian agencies. In some countries, particularly in Africa, the strains of conflict, recurrent drought, mass displacement of populations and endemic poverty are leading to the erosion and even disappearance of the fragile political and social structures, undermining the basis for their long-term survival and development.

18. Pressures for immigration and the potential for major shifts in populations are growing. This phenomenon will remain an important international concern in the years to come. Conditions of instability and chaos also contribute to the spread of international crime and drug trafficking. Not only do these trends raise fundamental moral issues for the world community, they also bring to the fore the question of the long-term viability of a process of international development that does not encompass a large proportion of the world's population.

19. It would seem from the above that, while the international situation may have turned more favourable in some ways for advancing the development agenda, there are many causes for great continuing concern and many tasks require the urgent attention of the international community. As the world seeks a new and more stable equilibrium in the post-cold war era, development cooperation with clearly defined and agreed upon goals and policy commitments for their realization can be an anchor of stability and progress in a period of great flux and uncertainty. It should also serve to underpin the emerging new world order with the ideas of equity and development as the basis for enduring peace and security.

## II. KEY DEVELOPMENT OBJECTIVES

20. Recent events in many parts of the world have underscored the inescapable links between economic development and political and social stability. In today's world, economic success rather than military power ultimately determines the place of a country in global competition. This is equally relevant to the ordering of national priorities in developing countries. Moreover, the resurgent pressures for the recognition of ethnic, religious and cultural identities in many parts of the world suggest that both democratic participation and economic and social progress are essential for national integration and political stability. International cooperation in the new era thus has a dual purpose: to promote development with democracy and accountable governance, but also to ensure that democracy is not undermined by

the lack of development. The two must move in step. The Summit Meeting of the Security Council, held in January 1992, recognized the close links between economic and political aspects when the President of the Security Council stated, on behalf of the members of the Council, that "lasting peace and stability require effective international cooperation for the eradication of poverty and the promotion of a better life for all in larger freedom" (S/23500).

21. Within this political context, the United Nations and its family of organizations are assisting Member States to forge a consensus on the key development objectives for the 1990s. This is reflected in several recent declarations and decisions adopted by the United Nations which are of a global character, such as the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, adopted by the General Assembly at its eighteenth special session (Assembly resolution S-18/3, annex), the International Development Strategy for the Fourth United Nations Development Decade (Assembly resolution 45/199, annex), the Cartagena Commitment, adopted by the United Nations Conference on Trade and Development (UNCTAD) at its eighth session, and Agenda 21 emerging from the United Nations Conference on Environment and Development; or those that address the requirements of regions or groups of countries, such as the United Nations New Agenda for the Development of Africa in the 1990s, adopted by the General Assembly at its forty-sixth session (Assembly resolution 46/151, annex, sect. II), and the Programme of Action for the Least Developed Countries for the 1990s, adopted by the second United Nations Conference on the Least Developed Countries. 1/

22. The principal development objectives for the 1990s can be summarized as follows:

(a) A decisive strengthening of international development cooperation for sustained and sustainable growth in the world economy and, in particular, the revitalization of economic growth and development of the developing countries; a setting of strength and stability in the world economy and sound macroeconomic management, nationally and internationally;

(b) A development process that is responsive to social needs, seeks the eradication of poverty and hunger, promotes the development of human resources and skills and is environmentally sound and sustainable;

(c) An improvement of the international systems of money, finance and trade so as to support further the development process;

(d) A smooth integration of Eastern Europe and the States emerging from the former Soviet Union into the world economy;

(e) A special responsibility to deal with Africa, and the least developed countries, the weakest among the developing countries; humanitarian relief and assistance in emergency situations.

23. The attainment of these objectives calls for a new partnership in development. This implies the acceptance of responsibility: by all countries to pursue effective national policies for sustained and sustainable development; by the international community to support these policies; and by the major industrial nations to ensure a favourable international economic environment so that these policies have a fair chance of success. It also implies the pursuit of a continuous development dialogue among all the partners to deepen the understanding and consensus on national and international actions required in response to changing conditions.

## A. Revitalizing growth and development

24. From a development perspective, the first and most immediate task is to revive growth in the world economy and strengthen rules and disciplines, particularly in the area of trade. The world economy at the beginning of the 1990s is marked by a general slow-down, with global output per head falling for the past two years in a row. The short- to medium-term prospects are only for modest recovery and growth. 2/ In the countries that are members of the Organisation for Economic Cooperation and Development (OECD), unemployment has been on the rise; on the other hand, inflationary pressures have receded in general, although in Germany the high cost of reunification has rekindled the fear of inflation. Commodity prices have fallen, after a brief revival, to the historic lows seen in the past decade. Fiscal deficits in many countries appear unsustainable. Long-term interest rates remain high despite recent downward movements. Policy coordination among the G-7 countries has weakened recently as Governments have become more preoccupied with the imperatives of their domestic economies.

25. The transition economies of Eastern Europe and the newly independent States have experienced sharp reductions in incomes and output. In the majority of developing countries, growth performance remains unsatisfactory. Growth rates even in the dynamic Asian economies, while remaining high by world standards, have fallen below those achieved in the second half of the 1980s. Some of the Latin American countries are starting to grow again, but for the region as a whole, the rate of economic growth is only slightly above the rate of increase in population. Africa faces the prospect of continued decline in per capita incomes compounded by another major drought and food shortages in the immediate future.

26. Clearly, the legacy of the problems that hampered development during the past decade has not disappeared. External debt problems continue to constrain growth in too many countries. Although in 1991 the net transfer of financial resources to developing countries turned positive for the first time since the early 1980s, it remains extremely small. Official development assistance has been slowing down and in the coming years it is not expected to grow faster than the gross domestic product (GDP) in the developed donor countries. The development finance institutions are not in a position of contributing significant net resources. Discriminatory trade restrictions on manufactured and semi-manufactured exports of developing countries and a secular decline in

commodity markets remain major obstacles to accelerated growth in these countries. 3/

27. The general slow-down in the world economy and the continuing difficulties confronting many developing as well as transition economies suggest that the world economy is not functioning at its full potential and that its performance can be improved significantly by enhanced international cooperation. This should remain a key objective for the United Nations system in the years ahead.

## B. National policies, global requirements and rules of the game

28. A major reorientation of national development strategies and economic policies has taken place in a large number of countries since the mid-1980s. A majority of developing countries are engaged in a process of policy reform towards allowing a much stronger play of market forces in their economies. State regulations are being reduced and streamlined and the role of the State in direct productive activity is being cut in a wave of privatization that reaches all regions of the developing world. Many countries have unilaterally liberalized their trade and foreign exchange regimes and reduced barriers to their markets, and are persevering in this path. 4/ Laws and regulations encouraging foreign direct investment are being established almost everywhere. 5/ Although in different ways and at a different pace, this process of reform has engulfed not only many small and middle-sized economies in Africa, Asia and Latin America and the Caribbean, it is also manifest in large populous economies such as Brazil and India. The transformation in socialist developing countries, such as China and Viet Nam, has also been far-reaching, involving more market-oriented strategies and the opening of their economies. The transition economies of Eastern Europe and the newly independent States are undergoing a radical transformation to market-based systems.

29. The aim of such changes is to improve resource allocation and speed up structural adjustment, so that more rapid and sustainable growth can be achieved. Notwithstanding efforts to increase domestic savings and diversify exports, the success of trade liberalization measures and export-led growth strategies in developing economies and economies in transition will largely be determined by a predictable access to markets and the dynamics of world trade.

30. The respect for and stability of the rules for access is as important as the degree of market access. Investors in developed and developing countries need to be confident that their export markets will remain open. A clear set of rules and disciplines applied worldwide and an enhanced mechanism for the settlement of disputes is one of the main objectives of the Uruguay Round of mutlilateral trade negotiations. The emergence from those negotiations of a strengthened international trade regime will be critical for the success of export expansion and export diversification policies.

31. Financial deregulation and privatization in a growing number of countries and large increases in the flows of foreign direct investment are among the signs of the opening of economies and integration of the world economy. In more open and market-oriented economies the transmission of instability across the borders becomes more pronounced. Rapid changes in such major external variables as prices of exports or interest rates complicate macroeconomic management. 6/ Sudden shifts of funds transmit instability to the exchange rate, to foreign trade and to financial markets. An important objective in a rapidly changing world economic environment should thus be to achieve greater stability and predictability in interest and exchange rates and a smooth functioning of capital markets.

32. As noted earlier, sweeping economic reforms have become a feature of the early 1990s. An unprecedented number of developing countries are adjusting economic structures at a rapid pace, usually with considerable support from the Bretton Woods institutions, 7/ as well as other agencies and organs of the United Nations system.

33. Recent experience points to two important lessons. First is that the adjustment should be accompanied by adequate investment levels. While the reallocation of investments, and often of public consumption expenditures, is of the essence of restructuring efforts, it is critical that those efforts do not lead to a large fall in gross domestic investment. Under-financed adjustment programmes - particularly in countries struggling with large external debt burdens - run the risk of protracted periods of low investments and little or no growth pay-off from the adjustment process. A second lesson of recent experience is that marginalization of some groups has increased during the adjustment process and often, at least in the short term, more people have become poor.

34. The success and long-term sustainability of these reform efforts thus depends critically on adequate financing for investment and for social safety nets for the vulnerable groups. Mobilization of financial resources for development will thus remain an essential task at both the national and the international levels.

### C. Human development, poverty, technology and the environment

35. While it is people who create wealth and thus are the source of economic growth, a rapid increase in population generates pressures on resources and demands on social services that the physical environment and society are unable to sustain. If growth fails to keep pace with expansion in population, it leads to impoverishment, particularly of the weakest segments of society, and deterioration of the physical environment. Poverty increases and the resource base is depleted. The development experience of the 1980s, particularly in Africa, is illustrative of this phenomenon.

36. Population interventions are essential as part of the efforts to revitalize development. But success will depend as much or even more on

reducing poverty and creating a healthy, trained and skilled manpower - the development of human resources - as on creating physical plants and infrastructure through capital investment. The needs and potential of women have been particularly overlooked. The advancement of women and their full integration into society are essential to the transformation of the economy.

37. The diffusion of technology is a complex process involving the spread of knowledge, know-how and skill and the creation of scientific and research infrastructure, which involves the development of a well-educated and trained manpower.

38. Water and air pollution, desertification, deforestation, climatic change, depletion of the ozone layer and loss of biodiversity and their implications for the future of the planet have led to a growing realization that new and more sustainable approaches to economic growth and development will need to be developed. To this end, the need for international cooperation is manifest.

39. The interrelated objectives of human development, eradication of poverty, diffusion of technology and protection of the environment should continue to be accorded priority attention. These and other related issues have been given considerable attention in the context of the United Nations Conference on Environment and Development. The progress achieved thus far gives grounds for hope that decisive steps will be taken by all Governments and within the United Nations system to follow up the results of the Conference towards making sustainable development a reality in all countries and launching a concerted attack on world poverty.

## III. ROLE OF THE UNITED NATIONS SYSTEM

40. The United Nations system and its functioning have been the subject of considerable reflection and debate in the recent past. The statements made by world leaders at the Security Council Summit in January, as well as recent debates in the General Assembly and the Economic and Social Council, demonstrate a keen and widely felt sentiment in the international community for a renewal of confidence in the system and its role in international affairs. The executive heads of the organizations and bodies of the system discussed the question at recent meetings of the Administrative Committee on Coordination (ACC). The Committee for Development Planning examined this issue at its twenty-eighth session.

41. Several Governments and groups have also instituted studies and research projects designed to assist them in formulating their policies and attitudes as a contribution to the international thinking on this matter. Private research organizations, academic institutions and non-governmental organizations are also actively participating in this process of reflection. The reports of the Independent Commission on Environment and Development and the South Commission, the Nordic United Nations Project, the studies made under the auspices of the Ford Foundation and the Dag Hammarskjöld Foundation, entitled "A world in need of leadership, tomorrow's United Nations", and the

latest reports of the North-South Round Table are some recent examples of this ongoing process.

42. Three common strands run through this intense and wide-ranging process of analysis and reflection: first, that the United Nations system has a central role to play in the emerging world order; second, that, if it has to do so successfully, it must be equipped to respond to the requirements of the future; and third, that this is a uniquely propitious moment in history to strengthen and reshape the United Nations system so that it can function as a truly effective instrument of international cooperation for promoting peace and development.

43. How can the system fulfil its role in enhancing international development cooperation? This question raises two interrelated issues: first, what actions can the United Nations and its family of organizations undertake in order to make the development dialogue more productive so as to facilitate the achievement of the development objectives of the 1990s; and second, how can the system fulfil its functions in the new world context more effectively and efficiently, once these have been articulated? While opinion may vary among Member States regarding the emphasis to be placed on one or the other of these aspects at the present juncture, few would consider these as mutually exclusive. Some general reflections on both these dimensions are set forth below, with a view to stimulating debate in the Council.

### A. Towards a more productive development dialogue

44. At the intergovernmental level, the United Nations General Assembly, as the principal political forum of the system with universal and equal participation and a broad mandate, is a unique body where Governments pursue the development dialogue in its political context. Ideally, this should enable Governments to take an integrated view of the economic and social dimensions and bring together the interdependent issues of trade, finance, technology, population, environment and poverty. The aim should be to build and deepen the political consensus required for enhanced cooperation and generate the impulses for actions in more specialized forums. The Assembly has indeed served this purpose, with a lesser or greater degree of success in the past.

45. The question is: can its deliberations be made more productive and more relevant and its decisions rendered more operational? This involves above all a willingness on the part of Member States to address these issues in their overall context in full recognition of the indivisibility of world peace and international development.

46. A strengthening of the political role of the General Assembly and of the overview functions of the Economic and Social Council would require a careful examination of how the various parts of the system, at both the intergovernmental and secretariat level, interact with each other in support of the work of the Assembly and the Council.

47. Thus, for example, the deliberations of the central bodies could be made more meaningful and relevant if they could take fuller advantage of the work of the regional commissions on the one hand and of the financial and trade institutions and the specialized agencies on the other. Inputs from the regional commissions could enrich the discussions on global issues by bringing together diverse development experiences at the regional and national levels. These regional inputs would have much greater value if the Commissions were to provide cogent analyses of individual country experiences. These could be complemented by the work to be carried out by UNCTAD on national policies under its revised mandate. On the other hand, IMF, after its consultations with individual developed countries under article IV of its Articles of Agreement, could provide an assessment of the impact of the policies of major countries on the international economic environment and on the development prospects of developing countries. A better use of inputs from UNCTAD and other concerned institutions and agencies would enhance the capacity of the General Assembly and the Council to address the long-standing issues relating to trade, finance, technology, external debt, commodities and the special needs of Africa and the least developed countries in the light of the changing world environment and the need to promote sustainable development in all countries. Similarly, the results of GATT's trade policy surveillance should shed light on key trade issues for deliberations in the central organs. The human, social and environmental dimensions of the development dialogue would also need to be integrated into these deliberations through closer and more coherent links between the Council and the work of the specialized agencies. As regards the environment, the proposed high-level Commission on Sustainable Development would provide a mechanism at the United Nations for the follow-up of the United Nations Conference on Environment and Development.

48. Moreover, the agendas of the Second and Third Committees of the General Assembly, their working procedures and the negotiating processes that determine the nature of the outcome of their work should be reviewed. Already, some progress has been made in this regard. But there is considerable scope for further improvement and rationalization. Finally, there is need for a better clarification of the relationship between the General Assembly and the Economic and Social Council and a further rationalization of their subsidiary bodies.

49. Recent steps taken to revitalize the Council and strengthen its coordination and overview functions <u>vis-à-vis</u> the United Nations system should enhance complementarity between these two principal organs. A first step has been taken to rationalize the subsidiary bodies of the Council. Likewise, the mandate of the Trade and Development Board and its subsidiary bodies has been substantially revised by UNCTAD at its eighth session. This process needs to be carried forward and consolidated.

50. A central issue for the system is the relationship between the United Nations, its programmes and the sectoral agencies on the one hand and the Bretton Woods institutions on the other. The latter were created with clear mandates that have evolved over the years to adjust to dramatic changes in international economic and social conditions. There has been fruitful

cooperation among the various bodies of the United Nations system 8/ but the scarcity of resources and the new demands imposed by the need to facilitate the transition to democratic forms of government, and market-oriented and environmentally sustainable development throughout the world have made stronger collaboration and cooperation an imperative.

51. At the secretariat level, the newly consolidated Department of Economic and Social Development will need to develop stronger links with the regional commissions, the financial and trade institutions, United Nations funding programmes and the specialized agencies to enhance its capacity to assist the central intergovernmental bodies in synthesizing interrelated issues and develop integrated approaches to address them. Moreover, ACC and its subsidiary machinery could provide more analytical and coherent system-wide inputs to these deliberations.

52. The part that the United Nations system can play in reinvigorating the development dialogue is essentially that of providing a forum, serving as a catalyst for building consensus and mobilizing additional multilateral resources. Ultimately, the extent to which Governments are willing to recognize the imperatives of global interdependence in their national policies will determine the scope of international cooperation for development. The role of the United Nations system should thus be seen in the wider context of what Governments perceive as the priority tasks to be pursued through development cooperation in the 1990s.

## B. Policy coordination

53. In a world economy in which trade flows are being transformed by technological changes, the growth of services and foreign investment, there is a need to ensure greater consistency among economic policies worldwide. The first task is to ensure that national trade policies do not erode but enhance the open and multilateral character of the international trading system. This is all the more necessary in view of the emergence of regional trading arrangements and the danger of new trade frictions and unilateral actions by major trading powers in a period of intense and growing global competition. Moreover, from the developmental perspective, trade policies should reinforce rather than undermine or erode the aim of accelerating development sought through official development assistance policies. The central intergovernmental bodies of the system can perform an important policy overview function in this regard.

54. The more integrated and market-oriented world economy that is emerging reinforces the need for a strengthened surveillance by IMF of both deficit and surplus countries towards better functioning of the global economy. Such surveillance should aim at narrowing the unsustainable imbalances in large as well as smaller economies so as to reduce uncertainties and ensure a favourable global environment for investment and growth.

55. A key objective for every country as stated in article IV of the IMF Articles of Agreement is fostering "orderly economic growth with reasonable price stability". It is particularly important at this juncture that surveillance pays increasing attention to large economies. The role of IMF surveillance, which already goes beyond policy consultations with individual member countries and emphasizes a global perspective in the context of the work of the Interim Committee, could be further strengthened. 9/

56. A critical issue is the appropriate mix of fiscal, monetary and exchange rate policies, particularly of the major industrial nations, that would help realize the full potential of growth in the world economy. Progress towards this goal in the context of G-7 has been limited. The Interim Committee of the Fund was intended to provide an institutional basis for coordinated policy consultation in these areas, while the Joint International Monetary Fund/World Bank Development Committee is expected to provide the forum for discussing the implications of global developments for developing countries and particularly for resource flows. Experience has shown, however, that these arrangements have not had a strong impact, particularly when the interests of major countries have diverged. In the meantime, the need for coordination has grown, with new members entering the system and the processes of the monetary and financial system becoming more complex. This strengthens the case for closer and more institutionalized policy coordination, taking into account the interests of all countries and especially the implications for the development of developing countries. In this regard, a strengthening of the role of the Interim Committee and the Executive Board of IMF in policy coordination and/or instituting arrangements for summit-level consultations between the G-7 and small but representative groups of developing and other interested countries are among the possibilities and options that have been put forward. 10/

## C. Multilateral assistance - towards a united thrust

57. A supportive environment in trade and finance is among the key prerequisites for the revival of development. But, as recognized by the International Development Strategy for the Fourth United Nations Development Decade, a sustained acceleration of the development process will not take place unless developing countries modernize and transform their industrial and agricultural sectors and participate in the progress made possible by advances in science and technology. The Strategy also identifies for special attention the priority areas of eradication of poverty and hunger, human resources and institutional development, population and environment. While national policies in all these areas are critical, there is considerable scope and need for financial and technical assistance in support of these policies from the United Nations, the multilateral financial institutions and the specialized agencies. If they concert their efforts and if they are adequately funded, the specialized agencies and multilateral and regional funding institutions, as well as regional development banks, in cooperation with bilateral donors, non-governmental organizations and other actors in the private sector, can take a formidable array of supportive actions, including providing information and analysis, mobilizing resources for pre-investment and capital formation

and technical assistance to facilitate the transfer of technologies and build up national institutions and capacities in all these areas.

58. Actions by the United Nations system to assist the efforts of developing countries to eliminate or minimize the adverse social effects of adjustment continue to be an important task. The specialized agencies and other organizations of the system, in particular the International Labour Organisation (ILO), the Food and Agriculture Organization of the United Nations (FAO), the World Health Organization (WHO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA), can cooperate with the financial institutions to design the adjustment programmes within the framework of longer-term development goals and collaborate in their implementation. Such interventions should have two key purposes: (a) to ensure that the human dimension of the adjustment process is fully taken into account and that the overall programme enhances rather than inhibits human resource development; (b) to ensure that the effects of the programme do not increase poverty and that it serves to lay the foundations for policies to eradicate poverty in the adjusting country. 11/

59. The support of the United Nations system to the self-help efforts of developing countries currently goes and should continue to go beyond the period covered by intense reforms or adjustment. The ultimate objective is that the concessional and non-concessional financial assistance and the technical cooperation provided lead to increased self-reliance and sustained growth. Given the weak economic base and the low consumption levels in the least developed countries and many sub-Saharan African countries, special assistance to the efforts that these countries are making to lift their economies will continue to be required. Development programmes and funds of the United Nations system such as UNDP, UNFPA, UNICEF, the International Fund for Agricultural Development (IFAD) and WFP are important sources of financial and technical assistance for these countries and their resources should be commensurate with the tasks.

60. The United Nations system must continue to monitor and to draw attention to the grave problems of the weakest members of the world community and to mobilize international support for their development. It must increase its financial and technical assistance to Africa and the least developed countries, apart from playing advocacy, awareness-raising and catalytic roles in favour of these countries. The follow-up of the Programme of Action for the Least Developed Countries and the New Agenda for Africa should be major priorities for system-wide efforts in the 1990s.

61. Given the magnitude of the transformations sought in the transition economies of Eastern and Central Europe, financial and technical assistance of the United Nations system to these countries should be a major task of the 1990s. In the case of most institutions and agencies, additional resources will be required to perform this new task without jeopardizing other programmed activities.

62. IMF and the World Bank, the key institutions of the system in the financial area, are called upon to play a main role to assist the transformation in these countries. 12/ They will have a major responsibility for balance-of-payments support, financing of projects and programmes, technical cooperation for institution building and economic policy formulation. While financing by other financial institutions, the European Bank for Reconstruction and Development in particular, and several industrial countries will be substantial, there will still be a need for large resources from the Bretton Woods institutions themselves.

63. The ratification of the ninth quota increase of IMF has become even more crucial today. The large legitimate demands for IMF resources can be accommodated only if the ninth quota review is ratified promptly. The tenth replenishment of the International Development Association (IDA), the concessional lending arm of the World Bank, should be large enough to respond to the additional demands arising from environmental protection, poverty alleviation and human development needs in low-income countries as well as those from some members of the newly independent States that will qualify for IDA resources. Otherwise, a pillar of the United Nations system to assist low-income developing countries might be eroded.

64. It is through the instrumentality of the United Nations system that the interwoven issues of population, resources, environment, technology and poverty have come to the forefront of international attention. 13/ The system must now reinforce cooperative actions in these key areas. By focusing its technical assistance capacity on these areas, it can enhance its effectiveness as a source of policy advice and technical assistance to Governments, and its role as a catalyst and as a source of financial assistance to developing countries for the implementation of human development, anti-poverty and environment policies and programmes should be strengthened.

65. One of the most important goals that the United Nations system, with its diversity and complementarity, can pursue is the eradication of poverty - an overarching aim of development and a necessary condition for peace-building. United Nations agencies and programmes can provide countries with "pooled" and comprehensive assistance packages, given the scarcity of financial, analytical and managerial resources. Improved inter-agency coordination will also attract other donors and regional development banks. Progress made in this regard by the World Bank, ILO and the Joint Consultative Group on Policies (JCGP) (UNDP, UNICEF, UNFPA, IFAD and WFP) should be built upon on a system-wide basis.

66. However, the goals of human development, poverty alleviation and environmental protection cannot be realized without a new commitment of resources. There is considerable room for reorientation of strategies and reallocation of resources at both the national and the international levels. The United Nations system can assist in this process by policy advice, targeting its multilateral assistance and its advocacy role. But additional resources will still be required if a major dent is to be made in these problems. The developing countries will need to mobilize their own resources

for these purposes and substantially increased bilateral and multilateral assistance will be necessary to support their efforts. A major reduction in military expenditures in developed and developing countries could be an important source of additional resources for these development objectives.

67. However, the resources made available to the system are also a function of how effectively and efficiently these are seen to be used. There is widely expressed concern about the functioning of the system and the fragmented character of its multilateral assistance, with its vast array of organizations and agencies and its myriad programmes and projects. A general perception exists about the ineffectiveness and limited impact of many of its activities. There is a strong call from Member States for a closer overview and a sense of united thrust. This raises important questions for governance, financing and coordination when the system is being called upon to perform a variety of new and complex tasks.

68. The system is expected, for example, to evolve a coordinated strategy for sustainable development and respond to a variety of special and humanitarian needs. Economic and environmental dimensions are being added to the purely military dimensions of collective security, as was evident in the aftermath of the Persian Gulf conflict when the system was called upon to respond to a host of political, economic and ecological needs stemming from that conflict. Member States affected by that crisis have expressed dissatisfaction at the capacity of the system to respond to their needs for compensation and assistance.

69. The nature and scope of the interrelationships between peace and security, development and human rights are being reexamined and questions about their implications for the functioning and organization of the system are being raised. New thinking and new approaches are being sought in the field of economic and social development itself. Over the years the work of the system in these areas has expanded steadily in response to the growing demands placed on it by Member States. New issues of global concern have continued to emerge, but the capacity of the system to respond to these demands has not always kept pace with the needs. Resources have remained stagnant and have been spread too thin. Also, linkages with other institutions and actors that have come to play a vital role in the vast and varied development effort are not as yet as systematic as would be desirable. The role of regional development banks as sources of finance, policy advice and research and analysis has been growing steadily. Transnational corporations are becoming one of the principal vehicles for the international transfer of technology and the flow of financial and skilled human resources. A vast number of non-governmental organizations have emerged with grass-roots capacities in the development field that need to be fully exploited. International research institutions and the academic community are an important source of new ideas and innovative solutions to global problems.

70. Three sorts of interrelated implications arise for the system from the above: first, the system needs to refocus its own activities on the basis of more clearly defined priorities; second, it has to develop stronger linkages

and networks with other actors and institutions so as to draw upon their capacities to enhance the effectiveness and impact of its activities; and third, it should enhance its catalytic role in bringing the many participants together by fostering close cooperation to achieve synergy and maximum impact. The preparatory process for the United Nations Conference on Environment and Development is a recent example of how these three dimensions can be dovetailed and brought to bear successfully on such a vast and complex global issue as the nexus between environment and development. Humanitarian and emergency assistance operations have also benefited greatly from close cooperation with other institutions in the field. Similarly well-orchestrated and concerted actions need to be mounted for an attack on world poverty, on population issues and the development of human resources, for the control of drugs and crime and for meeting the challenge of communicable diseases across frontiers.

71. A main question that arises is how best to assist developing countries in formulating their short-, medium- and longer-term strategies in a way that concretizes, in accordance with their specific circumstances, the internationally accepted development goals, with appropriate time-frames, and how each element of the system can collaborate effectively to bring to bear its special capabilities in a more coherent framework so that a "united thrust" can be achieved.

72. Can the system be reoriented to collaborate closely along these lines? Can all its parts function in support of common development strategies in order to concentrate scarce financial and technical resources? Can practical mechanisms for system-wide consultations under this collaborative approach to economic management in developing countries be devised? Can each individual country - donor or otherwise - present consistent policies and positions in the various intergovernmental bodies and negotiating processes of the system?

73. Almost three years ago, the General Assembly adopted a comprehensive resolution (44/211), by which it set the direction for operational activities of the system. The Council will discuss these issues under a separate agenda item. Three issues appear to be critical: first is "governance" or the capacity of the intergovernmental machinery for setting clear directions and guiding the activities of the entire system towards agreed objectives. A number of proposals for reform have been developed in this connection that need to be carefully examined. Second is financing, or how to ensure adequate, assured and stable funding for the operational activities of the system and their more efficient use. In this regard, the proposals for combining assessed contributions, negotiated pledges and voluntary contributions need to be carefully considered; last but not the least are coherence and effectiveness, or how to ensure maximum impact of technical cooperation activities at the country level. This implies promoting greater harmonization of programmes around common strategies and approaches and strengthened field-level coordination with the full participation of the recipient Government.

## D. Humanitarian and emergency assistance

74. The past few years have witnessed a rapid increase in large-scale natural and man-made disasters. Drought and famine are threatening millions in Africa once again. In Asia, there have been major floods and cyclones, and an outbreak of cholera in parts of Latin America has raised international concern. The Persian Gulf crisis created millions of refugees and vast ecological damage in that region and its vicinity. Civil conflicts, particularly in Africa, continue to ravage many countries, creating large flows of refugees and displaced persons.

75. The frequency, scale and complexity of these emergency situations underscores the need for a coordinated capacity for rapid international response to the humanitarian needs arising from such situations. The growing international concern about the effectiveness of the United Nations system in this area culminated in the adoption of resolution 46/182 by the General Assembly in December 1992. Consequently, the Secretary-General established a Department of Humanitarian Affairs and designated a high-level Emergency Relief Coordinator to work closely with him to facilitate coordination among the relevant organizations and entities of the system for providing emergency humanitarian assistance. To this end, an Inter-Agency Standing Committee has been established under the chairmanship of the Emergency Relief Coordinator, with the participation of all operational organizations. Work is also under way to strengthen the capacity of the system by establishing an effective early warning system related to massive flows of refugees and displaced persons. A $50 million Central Emergency Revolving Fund has been set up to provide urgently required resources in the initial phase of complex emergencies. Consolidated appeals, based on a rigorous inter-agency process, will provide the donors with coherent and comprehensive information on emergency requirements as well as identify the specific role of the concerned organizations. In addition, contingency arrangements are being developed to strengthen the stand-by capacity of the organizations of the system, including the possibility of access to logistical support from the donor community.

76. These steps should strengthen the capacity of the United Nations and the relevant organizations to act rapidly and in a more coordinated manner in response to future needs. However, it is important that emergencies not be seen as requiring the United Nations to develop merely an effective "fire brigade" function. The root causes of many of these emergencies, man-made or natural, lie in poverty and underdevelopment. The United Nations system should endeavour to build bridges between relief and development and wherever possible ensure that its response to emergencies is placed within a longer-term developmental framework. Further efforts will need to be made by the system to integrate this aspect into the national and international development strategies.

## E. Analytical and normative functions

77. An approach based on a "united thrust" and "networking" could also significantly strengthen the irreplaceable role of the system as a source of vital information and ideas and as a forum for world-wide debate and discussion of global issues. At the present juncture, in which security, development, technological progress and political changes are becoming more interdependent and complex, the analytical and evaluative functions of the system and its leading role in setting norms and standards can be greatly reinforced by internal coherence and external outreach efforts.

78. This normative role of the system acquires special significance at a time when international life is in a state of flux. The world must move forward with an eye to the future, but also with a sense of history. The normative responsibility of the system at a time of great change calls for a code of courage: the courage to bring up long-standing unresolved problems, such as injustice, poverty and underdevelopment; the courage to devise and suggest difficult, sometimes new and often unpalatable solutions; and finally, the courage to break new ground and raise emerging and potential problems before they become pressing or fashionable. This entails a sense of time as well as a capacity for integrated, holistic analysis, for constant monitoring of trends, with a view to identifying emerging issues, for making early diagnosis and for developing timely responses before problems become overwhelming or certain processes turn irreversible.

79. This indeed is a function that the system has performed well in many instances in the past, but must continue to develop and refine in the future. The effectiveness of the system in this regard will depend on three key factors: first, the strengthening of analytical, research and technical capacities, through pooling of institutional capacities so that outputs of the system are of the highest quality; second, achieving synergy between technical cooperation and research and analytical functions, with each drawing upon the results of the other for mutual reinforcement, and lastly, networking and closer cooperation among the organizations of the system to bring to bear the critical mass of resources and effort required in key priority areas for the system to be able to serve as the cutting edge in developing innovative approaches and ideas.

80. Some progress has been made recently on these aspects. Common system-wide approaches are being developed in such areas as eradication of poverty, drug control and the prevention and control of AIDS. Within the United Nations itself, as a first step, the various economic and social entities of the Secretariat in New York have been consolidated into a single Department of Economic and Social Development. Several of the organizations are carrying out their own internal reviews and reform. ACC is paying particular attention to its own role and to the functioning of its subsidiary machinery.

81. This process of reform should be continued and carried forward. In this connection, the institutional follow-up of the United Nations Conference on

Environment and Development, the outcome of the Uruguay Round of multilateral trade negotiations and of current discussions on the launching of a social summit will be of particular relevance to the future evolution of the system.

## Notes

1/ Report of the Second United Nations Conference on the Least Developed Countries, Paris, 3-14 September 1990 (A/CONF.147/18), Part One.

2/ The malfunctioning of the world economy and its adverse effects on the development process was analysed in the World Economic Survey 1991 (United Nations publication, Sales No. E.91.II.C.1), chap. I. It is further discussed in the World Economic Survey 1992 (United Nations publication, Sales No. E.92.II.C.1).

3/ For a more detailed assessment, see report of the Secretary-General on the review and appraisal of the International Development Strategy for the Fourth United Nations Development Decade (A/47/270-E/1992/74).

4/ There are several reasons for the switch to liberalization policies since the mid-1980s. Many countries under adjustment programmes in accord with the Bretton Woods institutions undertook liberalization measures, but also did others on their own. What is unprecedented is the large number of developing countries that took and have maintained this course in the past seven years or so.

5/ Rules were relaxed regarding ownership, approval procedures, repatriation of earnings, sectoral limitations and granting of incentives; there was significant liberalization in all policy areas, except for performance requirements. See World Investment Report 1992: Transnational Corporations as Engines of Growth (to be issued as a United Nations publication).

6/ See report of the Secretary-General on economic stabilization programmes in developing countries (A/46/385).

7/ Today, more than 50 countries are undertaking structural adjustment with financial support from the Bretton Woods institutions. The International Monetary Fund has established the Structural Adjustment Facility and the Extended Structural Adjustment Facility. The World Bank has established the line of credit for structural adjustment loans.

8/ For a discussion of cooperation between the International Monetary Fund and other bodies of the United Nations system, see the remarks by Michel Camdessus, Managing Director of IMF, to the annual meeting of the Academic Council of the United Nations System, held at IMF on 18 June 1992.

9/ Sustained non-inflationary growth in the major industrial countries (e.g., Group of Seven) is also decisive for the success of export-led growth

Notes (continued)

strategies of developing countries. Initially, some success can be achieved by import penetration, but in the long run only more dynamic growth in the developed world can provide the required expansion of world trade.

10/ For an interesting proposal in this regard, see United Nations University, World Economic Summits: The Role of Representative Groups in the Governance of the World Economy (WIDER Study Group Services, No. 4, 1989).

11/ For more detailed information and analysis of the activities of the United Nations system relating to poverty eradication, see report of the Secretary-General on coordination of policies and activities of the organizations of the United Nations system relating to assistance in the eradication of poverty and support to vulnerable groups, including assistance during the implementation of structural adjustment programmes (E/1992/47).

12/ See communiqués of the Interim Committee and the Development Committees; IMF/World Bank spring meetings (27-28 April 1992).

13/ The preparations for and the convening of the United Nations Conference on Environment and Development have raised environment and development to an unprecedented level of public and political awareness throughout the world. "A New Partnership for Development: The Cartagena Commitment", adopted by UNCTAD at its eighth session, underscores the interdependence of growth and development, poverty alleviation and protection of the environment. Likewise, the successive United Nations Conferences on Population and on Women, and the World Summit on Children were instrumental in establishing these as major international concerns. On another plane, the World Development Reports of 1990 and 1992, prepared by the World Bank, and several other reports emanating from the United Nations system, have focused attention on the inescapable links between development, poverty eradication and the environment. The UNDP Human Development Report 1990 brought to the fore the idea of human development. The UNICEF report Adjustment with a Human Face highlighted the need for integrating the social dimensions into structural adjustment programmes. The work of many of the organizations such as the World Bank, UNDP, IFAD, WFP, FAO, ILO, WHO and UNESCO in the areas of human development and poverty eradication, of UNFPA in the area of population, women and the family and of UNICEF for children and women have helped shape the world's development agenda in the 1990s. The forthcoming conferences on population and on women and the proposed World Summit on Social Development will be further occasions to deepen the international consensus for action in these areas.

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# ENHANCING INTERNATIONAL COOPERATION FOR DEVELOPMENT: THE ROLE OF THE UNITED NATIONS SYSTEM

Report of the Secretary-General

Addendum

## FOREWORD

1. The high-level segment of the Economic and Social Council - devoted to the theme "Enhancing international cooperation for development: the role of the United Nations system" - provides a most valuable opportunity for the Council to contribute to shaping the future direction of the United Nations and its system of organizations in the economic and social field.

2. This debate takes place at a critical juncture, following the first Summit meeting of the Security Council last January, which represented an unprecedented commitment at the highest political level to the purposes and principles of the Charter of the United Nations, and two major United Nations conferences addressing economic and social issues: the eighth session of the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Conference on Environment and Development, the latter being the largest gathering of heads of State or Government and of the non-governmental community in United Nations history.

3. This is, therefore, a timely opportunity for me to share with members of the Council my views on the most desirable evolution of United Nations structures and actions in the economic and social fields, after my first six

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months in office, my initial discussions with the executive heads of the United Nations system in the Administrative Committee on Coordination (ACC), and the initial steps I have taken to reform the Secretariat.

4. Furthermore, I regard this occasion as a welcome opportunity to add a new dimension to my report on the role of the Organization in preventive diplomacy, peacemaking and peace-keeping by addressing more specifically the responsibilities of the Organization in support of economic and social cooperation.

5. In these past months a conviction has grown among nations large and small that an opportunity has been regained to achieve the great objectives of the Charter: a United Nations capable of maintaining international peace and security, of securing justice and human rights and of promoting, in the words of the preamble to the Charter, "social progress and better standards of life in larger freedom". At the same time, the phase of global transition we are now entering is marked by uniquely contradictory trends.

6. At the international level, the improvement in East-West relations affords unprecedented possibilities to meet successfully threats to common security. At the national level, there is a definite trend throughout the world towards democratization and more open forms of economic policy, which is creating a world-wide sense of dynamism and movement.

7. At the same time, there are no signs that the gap between the North and the South, which continued to widen during the 1980s, is beginning to narrow. This situation is mirrored at the national level, where the gap between the rich and the poor appears to be on the increase in most countries. Growing income inequalities and the lack of minimum standards of living for large segments of the population threaten political stability and often fragile democratic structures, and hamper the implementation of essential structural reforms.

8. While conditions differ from country to country and from region to region, the situation which has characterized most of the developing world in the 1980s - high inflation, large-scale deficits, the burden of debt, inadequate investments, deterioration of physical and social infrastructures - is not yet giving clear signs of qualitative improvement. Adjustment programmes, adopted to remedy the macro-economic situation, have in several instances inflicted additional social hardship.

9. Compounding the challenges which this situation poses for the international community, it is now clear that many problems afflicting the developing world are common to a large number of countries in Eastern Europe and the members of the Commonwealth of Independent States. The new nations of that region are constrained in the structural transformation of their economies by lack of adequate resources, the absence or weakness of technical cadres, outdated production structures, and restricted access to markets for their products.

10. The international community is increasingly aware that the cost of failure here could be a reversal of the trend towards democracy, and lead to social upheaval and unchecked migration, and is beginning to mobilize itself in support of these countries, with the very necessary participation of the United Nations system. It is at the same time important to ensure that these actions do not divert attention from the developing world and contribute to its marginalization.

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11. The great majority of military confrontations and civil wars which have taken place since the founding of the United Nations have occurred in developing countries. While both domestic and external causes often contribute to situations of political instability, the fact that a large segment of the population in the countries concerned cannot satisfy its basic human needs is a crucial underlying factor of instability and conflict.

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12. My experience in dealing with these issues during my first six months in office has confirmed my long-held view that it is futile, if not counterproductive, to separate out the political and the economic and social missions of the Organization. The concept of an integrated approach to cooperation in these areas lies at the heart of the Charter of the United Nations. It needs, however, to be pondered and emphasized anew, after decades of increasing fragmentation of structures and mandates. The concepts of peace-building and preventive diplomacy must be viewed in this light.

13. The linkages between the political and the economic and social missions of the Organization are central to the responsibilities which the Organization is increasingly called upon to fulfil in the field of humanitarian assistance - a role which I have endeavoured to reinforce through the establishment of a new Department of Humanitarian Affairs and the appointment of an Emergency Relief Coordinator. It is also starkly illustrated by the multifaceted, complex nature of operations which the United Nations is increasingly called upon to conduct in countries such as El Salvador, Cambodia and Angola.

14. The linkage is, however, much broader than can be illustrated by the United Nations work related to humanitarian assistance and the rebuilding of nations torn by international or civil war. It stems from the basic premise that the Organization's actions, if they are to contribute to lasting peace, must be directed to addressing at the same time not only the immediate but also the underlying causes of conflict: political oppression, social injustice and blatant economic disparities.

15. The economic and social work of the United Nations is ultimately concerned with building the institutions of peace and the conditions in which peace can endure. In the words of the statement adopted at the Summit meeting of the Security Council, "lasting peace and stability require effective

international cooperation for the eradication of poverty and the promotion of a better life for all in larger freedom".

16. I am convinced that the new international political context offers unprecedented opportunities for progress also in the economic and social sphere. For this to be realized, however, it is essential that actions on both the political and the economic and social fronts be pursued in a mutually supportive and mutually reinforcing way.

17. A first basic conclusion I draw is that support for international economic cooperation and development, based on a comprehensive concept of global, regional and national security, must be viewed as a crucial and integral part of the Organization's responsibilities. This approach accords with the explicit aims of the Charter in the economic and social sphere and reflects the increasingly close relationship between these areas and the maintenance of international peace.

18. A related consideration, in my conception of the role of the Organization, is the interdependence between the promotion of national processes to increase income, wealth and well-being, and the harmonization of international economic policies, aimed at creating an external environment supportive of such processes. While the relative weight to be given to these two sets of functions in the work of the United Nations has been - and should continue to be - adjusted over time, in response to changing perceptions and approaches to development issues, both dimensions should, in my view, continue to figure among the core functions of the Organization.

19. A second important conclusion is that efforts to reinforce democratic institutions and actions in support of human rights and the protection of minorities are essential components of the Organization's contribution to both peace and economic and social progress. A strengthening of the role of the United Nations in these respects must be viewed as an integral part of the task of enhancing international cooperation for development. Again here, recent developments have given strong, renewed confirmation of a basic concept enshrined in the Charter and in the mandate of the Economic and Social Council, which the fragmentation of United Nations structures and debates had sometimes in the past made us lose sight of.

20. As part of the integrated approach to the role of the Organization which I am advocating, the United Nations policy agenda in the economic and social field will need to be reshaped and updated. Two considerations are involved.

21. One is the need to take into account the ramifications of the rapid globalization of the world economy. The globalization of economic activity is creating a world of porous borders - a world where the role of Governments in the spheres of international trade and finance has diminished, where the actions of corporations and other economic actors are often as important as public sector interventions, and where systemic frictions are increasing. There are, in these truly new and rapidly changing circumstances, major gaps in our knowledge about what works and what needs to be done. In particular,

new ways must be found to tackle the increasingly complex interrelationships between trade, finance, investment and technology. It is in connection with this type of issue cutting across institutional boundaries that the United Nations can play a particularly useful system-wide role, through innovative analysis and policy advice.

22. A second important consideration is the emergence and increasingly wide acceptance, at both the national and international level, of a new vision of development, which must be people-centred, equitable and sustainable. A development thrust that ensures sustained global growth shared by all countries, that leads to poverty eradication everywhere and that enhances the physical environment has gained world-wide prominence. Transforming this vision into reality should be seen as a central part of the overall responsibilities of the Organization and a guiding objective in the exercise of its economic and social role.

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23. An integrated approach to the Organization's mission in preventive diplomacy, peacemaking and peace-keeping, interpreted in its widest sense, will demand the concerted attention and efforts of individual States, of regional and non-governmental organizations, and of all bodies of the United Nations system, with each of the principal organs of the United Nations functioning in the balance and harmony which the Charter requires. New approaches to the role of the United Nations in the promotion of international cooperation for development and new approaches to system-wide cooperation and coordination are an integral part of this vision.

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24. The introduction of a more integrated approach to the exercise by the United Nations of its political and economic and social functions would imply changes in the structure and methods of work both of intergovernmental bodies and of the Secretariat.

25. At the intergovernmental level, the present structure of the General Assembly and current approaches to the formulation of its agenda, based on a strict differentiation among political, economic and social issues, do not seem to me to be conducive to the most effective exercise of its unique role as the highest intergovernmental forum within the United Nations system, able to maintain an integrated overview of global issues and to address the root (often economic and social) causes of political difficulties and bring its political influence to bear on their solution.

26. Efforts at reviewing the functioning of the General Assembly, and at making both its structures and agenda more flexible and responsive to these requirements, should be resumed. The same considerations - particularly the need for greater innovation, selectivity and flexibility - should guide a further streamlining of the subsidiary machinery of the General Assembly and the Economic and Social Council.

27. The progress made in enhancing the functioning of the Economic and Social Council itself is to be welcomed. The reforms being introduced in this respect, involving a high-level policy segment and the identification of "coordination" and "operational activities" as the main areas of concentration for its work, would complement well the new proposed approaches to the Assembly's work.

28. These innovations could be furthered by the introduction of a flexible, high-level inter-sessional mechanism, which would enable the Economic and Social Council and its Bureau to respond in a continuing and timely way to rapidly changing developments in the economic and social sphere, maintain a continuing dialogue with organizations of the system in their respective areas of activity, build and expand agreement on common ends and objectives, and adapt the policy agenda in the economic and social field in response to changing requirements. Such a role should be rooted in sound analysis and a sound understanding of developments and global trends - relying on the fact-finding capabilities of the United Nations and the United Nations system. It should encompass an "early warning" function, covering developments and trends that may lead to threats to security and well-being, in areas ranging from energy to debt, from the risk of famine to the spread of disease. This role would need to be supported by high-level expert advice.

29. In the same broad context, in the report prepared pursuant to the Security Council's request, I have recommended that the Security Council invite a reinvigorated and restructured Economic and Social Council to provide reports, in accordance of Article 65 of the Charter, on those economic and social developments that may, unless mitigated, threaten international peace and security.

30. The same objective of promoting a more integrated approach to the work of the Organization, and of enhancing its contribution to global security, is guiding managerial improvements and reforms within the United Nations Secretariat. Improved communication and new methods of work are being introduced to facilitate the required feed-back between political and economic and social activities and to ensure greater flexibility and responsiveness to changing requirements. As an integral part of this effort, the consolidation of various economic and social units of the Secretariat in New York into a single Department for Economic and Social Development was a necessary first step to promote greater coherence of overall United Nations actions in these areas, under the leadership of the Secretary-General.

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31. The experience with this first phase of reorganization is currently being reviewed, while steps are being initiated to extend the reform effort to other parts of the economic and social sectors of the Organization. A main consideration in the forthcoming phases of the reorganization - which will include adjustments, as required, in the new structures put in place in the first phase - will be the introduction of a more effective Organization-wide distribution of responsibilities and a better balance between functions

performed at Headquarters and those that can best be carried out by the regional commissions and the United Nations programmes, based on clear priorities and a well-articulated sense of the comparative advantage of each.

32. In this process, the analytical capacity of the United Nations and its programmes will need to be enhanced and refocused on major cross-sectoral themes - human development, resources for development, the scourge of drugs, the determinants of sustained and sustainable development, linkages between trade, finance, investment and technology - and on the interrelationships among these themes, avoiding duplication with, and drawing systematically on research being carried out by, other organizations of the United Nations system, as well as in the wider academic and non-governmental community. Similarly, it will be desirable to refocus operational activities carried out by the United Nations proper on cross-sectoral areas in which the Organization can prove to possess a unique substantive capacity and a clear comparative advantage within the United Nations system. I will revert to these issues when turning to my approaches to the functioning of the system as a whole.

33. In a review of the functioning of the regional commissions and of United Nations programmes, an important consideration will be to ensure that they perceive their functions - and that they are indeed perceived - as an integral part of the support required by the Security Council, the General Assembly and the Economic and Social Council, and that they are managed as an integral part of the Organization, while at the same time sharpening the special, discrete, substantive features of their respective missions.

34. The aim should be to ensure that the policy advice which the Organization as a whole provides to Governments is coherent, that its component parts draw on one another's resources rather than duplicating them, and that, without detriment to the need to provide the respective intergovernmental bodies with analyses that place issues within their mandates in their broader perspective, there is the necessary measure of selectivity and coordination in coverage. Methods of work will also need to be introduced which promote greater cross-sectoral cooperation in terms both of data gathering and analysis and of the formulation of policy recommendations. I am convinced that these approaches can result not only in continuing savings but also in much greater effectiveness.

35. I should stress in this context that the regional commissions constitute, in my conception of the Organization, a unique asset and an important part of the contribution which the United Nations is in a position to make to the enhancement of cooperation for development. There is a great need - at a time when strengthened regional cooperation holds the key to the resolution of conflicts and to economic and social progress in so many spheres - to exploit better the important potential which the commissions and their secretariats represent, for their constituents and for the Organization as a whole. Similarly, the contribution that United Nations programmes such as the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Environment Programme (UNEP) are in a position to make to the development dialogue in their respective areas needs to be better exploited.

36. The future evolution of United Nations programmes, such as the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP), as they are concerned with the financing of operational activities, is another key factor in determining the contribution of the Organization as a whole to enhanced international support and enhanced inter-agency cooperation for development. Important issues relating to their operation and governance are already under active consideration, and will be pursued by this Council under a different agenda item. I should like at this stage to offer a few general observations.

37. I firmly believe that the focus of the United Nations must remain on the "field", the locations where economic, social and political decisions take effect. At the same time, for action in the field to be effective, a greater measure of coordination at this level, in support of national action, is essential.

38. A unified United Nations presence at the country level - a single United Nations office - encompassing the funding programmes of the United Nations - UNDP, UNICEF, UNFPA - as well as WFP and the concerned Departments in the United Nations proper, would in my view greatly enhance the effectiveness and impact of the Organization's activities. By promoting a single support strategy at the country level, such a unified presence would be a rallying point for the work of the agencies and also help strengthen the necessary linkages between global strategies and country level activities. I intend to work vigorously in this direction.

39. Better relating global strategies to field activities should also be a main concern in future discussions on intergovernmental governance of operational activities. My earlier comments on the role of the Economic and Social Council are relevant to the question of overall governance of such activities. The future evolution of the Council's work is, in turn, relevant to the consideration of the governance of individual programmes. In the same context, I welcome current proposals and initiatives aimed at placing the financing of operational activities on a more assured and stable basis.

40. An additional general consideration which will guide further efforts at Secretariat reform is the need to strengthen the relationship between research and policy analysis and operational activities, so as to ensure that Member States draw full advantage from the integration into the overall structures of the United Nations of these two sets of capabilities. A more clear-cut distinction between the financing and coordinating role of United Nations funding programmes, on the one hand, and operational functions, on the other, is another requirement which is widely felt among the organizations of the system.

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41. Coherence within the Organization itself can, in my view, greatly contribute to enhanced coherence system-wide. In my continuing review of the functioning and structures of the United Nations and its programmes, an

important consideration will thus be to ensure that reforms effectively contribute to the strengthening of inter-agency cooperation and coordination.

42. In my foreword to the last overview report of ACC, I made a number of points concerning my approach to the functioning of the United Nations system which bear repeating here. I especially emphasized the unprecedented opportunities which the greater willingness of the international community to act through the United Nations offers for all the organizations of the system. I noted that this new situation creates new expectations and new challenges which require a collective response, so as to enable the international community to draw full benefit from the diversity of expertise and breadth of mandates available to the system. I added that the objective should be not only improved coordination of agencies' actions in the different sectors, but also ensuring that the overall capacity of the system for research and policy analysis, finance for development and technical assistance are mobilized in a cooperative, mutually reinforcing way. In the same context, I stressed the need for more flexible methods of work, which would enable the system to respond rapidly to new tasks and challenges as they occur, as well as the importance of concerted efforts for the efficient management of the human and financial resources at the disposal of the system.

43. Another point I have stressed in my discussions with the executive heads of the organizations of the United Nations system represented in ACC is the need to better tap the wealth of information available throughout the system, in support of its "preventive" role, through improved arrangements for the exchange and analysis of that information. In outlining the elements of a more comprehensive approach to preventive diplomacy, I noted that the system has been developing a valuable network of early warning systems concerning environmental threats, the risk of nuclear accidents, natural disasters, mass movements of populations, the threat of famine and the spread of disease. A more systematic cooperative effort is required to pool and analyse this information and also to synthesize it with political indicators into a strong, system-wide early warning capability.

44. The basis for pursuing effectively these approaches must be a clear concept of the distribution of responsibilities within the system.

45. As I have already noted, the main emphasis in the work of the United Nations itself, including its programmes and regional commissions, should be on the development and promotion of comprehensive frameworks for action to advance economic and social cooperation, as part of an integrated approach to peace-building and collective security.

46. In the same context, the functions of the United Nations relating to inter-agency cooperation and coordination should be exercised with greater flexibility and in a new perspective, with emphasis less on traditional approaches and mandates and more on better anticipation of, and rapid adaptation to, emerging trends. A continuing concern of the Organization in this respect should be to ensure that the actions being taken throughout the system are supportive of the requirements of developing countries and

countries in transition and responsive to evolving perceptions of the nature of development and its relationship to the global interest.

47. This role must be complemented by practical coordinated actions to assist developing countries to participate more effectively in international affairs and international negotiations, take fuller advantage of international instruments, and enhance their domestic capacities for development. In this context, United Nations technical assistance should be strengthened in areas - such as the promotion of democratic institutions, the conversion of military structures to productive uses and the training of diplomats and technicians - where the Organization is uniquely suited to help meet current needs.

48. In exercising both its global and its operational responsibilities, the Organization should - as I have already emphasized - rely more consistently and systematically than before on the research and operational work of both the financial institutions and the sectoral agencies.

49. The Bretton Woods institutions have the technical and financial resources to promote macro-economic adjustment and create the conditions to enhance monetary stability, investment and growth. Other specialized agencies possess a great deal of expertise and experience in the various economic and social sectors for which they are responsible. A common thread in the mandate and substantive role of these agencies is to contribute to sustained and sustainable development and, to that end, to tap the potential of the more vulnerable sectors of production and of vulnerable groups.

50. While views may vary on an ideal institutional framework for international cooperation, it seems to me that there are evident complementarities built into the existing structures of the system that can and should be better exploited.

51. While there should continue to be room within the system for differences, if rigorously founded, in policy prescriptions, there must be a strengthened effort on the part of all to contribute to common goals. This must be accompanied by mutual acceptance of the complementary roles which each part of the system is called upon to play.

52. The relationship between the sectoral agencies and the Bretton Woods institutions is a central issue in this context. A consequence of the responsibilities and comparative advantage - both technical and financial - of the Bretton Woods institutions in respect of macro-economic policy reform and adjustment, is the major contribution which these institutions, in promoting world-wide stability, are in a position to make also to poverty alleviation and to advancing human development. In that respect, the expertise of other organizations of the system, if coherently articulated, can be a valuable source of inputs and advice as to the policy mix and the pacing and sequencing of measures, which can best contribute to the achievement of positive social benefits from the adjustment and restructuring programmes undertaken by the Bretton Woods institutions. The potential for positive synergy here is great and should not be missed.

53. The role which ACC can play in further developing these approaches and translating them into practical action is critical. ACC must be the guiding force in introducing greater coherence in the work of the United Nations system in response to the policies and priorities set by Member States, and ensuring that the initiatives launched, and the activities undertaken by the various organizations, are complementary and mutually supporting. ACC has initiated a review of its own functioning and methods of work, with a view to enhancing its contribution to these objectives.

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54. I attach great importance to enhanced collaboration with regional institutions and non-governmental organizations. I was glad to see that at both the eighth session of UNCTAD and the United Nations Conference on Environment and Development that need was strongly emphasized. Indeed at the latter Conference, the non-governmental community was a critical source of technical inputs and political impulses. It is evident that the United Nations could benefit more fully from the diversified contributions that non-governmental organizations can provide, as well as from more systematic interaction with them. I intend to rely increasingly on their cooperation and support.

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55. I left Rio de Janeiro a few days ago, at the conclusion of the Earth Summit, with a deep sense of concern about the challenges of the future but also with a feeling of satisfaction that a significant advance has been made at placing women and men at the centre of United Nations concerns, and bringing to the fore the crucial linkages between development and the protection of the environment. The Conference also conveyed most strikingly the political dimensions of development, in their deepest meaning. The Conference was above all concerned with preparing nations and people for the future. The Organization, through the proposed high-level Commission on Sustainable Development, will monitor and promote sustained and concerted follow-up. And the United Nations system has, through Agenda 21, a new, important framework for the effective coordination of activities.

56. I regard the discussions which have been initiated in the General Assembly on the possible convening of a summit on social development as going to the heart of another key dimension of current threats to global security. By building on the outcome of the United Nations Conference on Environment and Development, addressing the root causes of poverty, underdevelopment and lack of basic human rights, and promoting integrated economic and social policies, simultaneously concerned with both growth and equity, such a summit could greatly advance the cause of a more just and peaceful future, and of a more coherent contribution by the United Nations system to that cause.

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57. In conclusion, let me stress that it would be mistaken to try to attach an order of importance or priority between peace and security on the one hand and economic and social development on the other. The two are so closely interlinked as to be indivisible: there can be no true peace without economic and social development, just as development is not possible in the absence of peace and security.

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